

FINANCIAL TIMES

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Monday August 9 1971

** 6p

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Healey & Baker

News Summary

RAIL BUSINESS Deeper rail warning illback on UCS Court orders

Israeli Government yesterday decided to continue the talks with the U.S. on the interim Middle East settlement, despite what was seen as the failure of Mrs. Nixon's talks with U.S. Assistant Secretary of State Joseph Sisco. Mr. Meir reported to the talks yesterday that Israeli Jerusalem sources had emerged that the pressing Israel to withdraw from the Mitla Pass gives military control of half of Sinai as part of interim settlement. Obviously, Israel had assumed that the pass should remain in Israeli hands until a final settlement was reached. Instead, it now appears to be nearer Cairo, writes our Jerusalem correspondent.

Sisco is expected to leave for Egypt to explore ideas for an interim pact.

Lat warns

Cairo, President Sadat of Washington to define its role in the Middle East, referring to Mr. Sisco's visit, he said that since it was obvious Israel was not on expansion, the position of the U.S. should be to support peace and The situation must be resolved by the end of the year, "by peace or by war."

Apollo trio turn to Houston

Apollo 15 astronauts had a brief stopover in Hawaii before they were given a big welcome by islanders. Some of moon rocks were sent ahead for receiving laboratory immediate study. Astronauts, despite "catching in sight" on their return, showed average weight of five pounds and showed tolerance to heart stress normal. Otherwise, they are in good shape—despite the hard splashdown when one module failed to open.

ZZing' claims

Airline Pilots' Association expressed concern at "many" involving military in close proximity to airliners—especially in the corridors over Germany, said BALPA spokesman Gordon Hurley, it was difficult to tell whether any intentions were deliberate.

A pilots' claims that civil flights were being used for practice by fighters met reception from BEA and who said "we have no edge of that sort of thing."

Part-timers

Of Lords select committee of ways of streamlining procedure has proposed creation of special clocks to show how long peers have been sitting. It rejected a mandatory limit. Page 13

By tour ends

African rugby team left for home last night after an Australian tour that left 700 arrested because of anti-apartheid protests and doubtless the Springbok cricket tour delayed for later this year will end.

Lions defeated North and 11-5 to continue their ten provincial record in Scotland. Page 3

yacht in front

"American Eagle" leading the Fastnet Race for the Admiral's Cup and winning triple points—when by Sennin coastguards. Her were Ragamuffin Apollo (Australia). Page 3

fly . . .

boy, 12 hours old, was wrapped in a woman's gown and a polythene in a dustbin outside a house in East London. The bullet hit a car, but no one was hurt. The winner was Ragamuffin Apollo (Australia). Page 3

Paris debt repayment

FRANCE is to pay off today the remaining £608m. of its debt incurred after the franc was devalued. Reports in Paris that the repayment includes £151m. in gold suggest France's policy of covering part of its dollar surplus into gold may have resulted in a total of about £470m.—considerably more than was believed at last week's gold purchase. Page 4

Anxiety

The first is his belief now that perhaps he went too far in his speech at Labour's special conference last month when he not only criticised the entry terms but gave the impression that he had a public policy on his point. He said it was a difficult question but he gave the impression of a Labour Government doing its best to make the EEC easier to improve it.

His view is understood to be

Swan Hunter men stay out despite stewards' plea

BY MICHAEL HAND, LABOUR CORRESPONDENT

The national executive of the General and Municipal Workers' Union is expected to meet to-day to consider giving official support to its 2,800 members at Swan Hunter's five shipbuilding yards on Tyneside who have been on strike for the past week.

This follows yesterday's close decision by a mass meeting at Wallsend to continue the strike, which has kept the yards idle since last Monday and has put another 7,500 men out of work.

Just over 1,000 GMWU members were at the meeting, less than half the total number on strike, and only 879 voted in a ballot on a peace formula which had the unanimous support of their shop stewards and union officials. It was nevertheless rejected by 462 votes to 417.

A risk

The strikers did not stop work until their pay claim had been taken through all the stages of the negotiating machinery, and although the management's latest offer has been recommended for acceptance by full-time officials and stewards the men are looking to the union's executive to support their action and to sanction the payment of £5-a-week strike benefit.

The GMWU leaders will be unusually aware that if they fail to make the strike official they will run the risk of mass defections by their shipyard members in the North-East.

Yesterday's decision came as a shock to the Swan Hunter management following the whole-hearted endorsement of its offer by the shop stewards. Mr. Tom McEvoy, joint managing director, said last night: "We feel the company has done everything possible to achieve a settlement. I don't really see what more we can do. The company has bent

over backwards to try to get the men back to work, and we have gone a long way towards meeting their claim."

Unless there are some new developments in the next day or so, and this cannot be ruled out, the company will face at least a two-week closure, because there are no plans at present to have a further mass meeting before Friday, by which time the men will have been out for a fortnight.

They stopped work in support of their claim for a rate of £21.40 a week for men working in the top grade. This would give the GMWU workers in the five shipyards pay parity with men doing similar work in nearby ship repair yards.

When the strike started the management was offering a top rate of £20.17, but in talks which ended early last Wednesday this figure was raised to £20.60 as part of a new long-term agreement under which there would be further increases to £21.60 in January and to £22.60 in January 1973.

The reaction of the shop stewards was that they were hopeful that the men would call off the strike if the management would agree to a further small improvement. As a result, just before a mass meeting on Friday, the management agreed in negotiations with Mr. Ken Baker, GMWU national shipbuilding official, to round up the figure to £21, £22 and £23 respectively. Provided work was resumed immediately.

But, in the event, only three men out of an estimated 2,000 at the meeting voted to accept the offer—which would have given them an immediate average 11 per cent increase, rising to 16 per cent in January. At this stage the management withdrew its offer and Mr. McEvoy said publicly: "We simply cannot afford any more."

However, only a few hours after the offer was rejected at the mass meeting the management agreed to unexpected new talks following an approach by the union and also to make a further improvement which would have meant a top rate of £22.15 immediately (only 50p short of the men's demand), £22.15 in January and £23.15 a year later. It is believed that Swan Hunter made this further reluctant concession in the belief that if it did not do so the GMWU would make the strike official almost immediately.

Mr. Baker and the stewards felt that this third improvement in the offer in the space of four days would secure a settlement, and it was believed on Tyneside last night that this would have been the case if more of the strikers had attended the meeting. It seems that many of those who voted to stay out felt that, having got three new offers in quick succession, they might achieve the full £21.40 by continuing the strike for a few more days.

Union view

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U.S. Treasury rejects a call for devaluation

BY JOHN GRAHAM, U.S. EDITOR

THE U.S. Treasury issued a counter-statement this week-end after publication of a Congressional report calling for the dollar to be devalued.

A sub-committee on international exchange and payments, headed by Congressman Henry Reuss, has come to the conclusion that the dollar is overvalued and that one way or the other it must be devalued.

It recommends that the IMF apply firm pressure on other countries, in Europe, but especially Japan, to increase the value of their currencies.

Unilateral

It then goes on: "If the membership of the Fund fails to confront this issue and does not specify a mechanism through which dollar exchange rates can be promptly restricted, the United States should then promptly consider a unilateral initiative to achieve this same result, perhaps by floating the dollar within specified limits."

The U.S. Treasury made the following statement: "The report reiterates the earlier views expressed by its chairman, Congressman Henry Reuss. The limited hearings held by Mr. Reuss did not, in the opinion of the Treasury Department, reflect

or develop any wide body of Congressional opinion.

"No discussions are planned or anticipated with respect to exchange rate realignments at the International Monetary Fund or elsewhere."

What this last sentence means, if anything, is obscure. The IMF staff are preparing ideas for discussion on the exchange rate question at next month's annual meeting here and the U.S. will presumably join in these discussions. That the Treasury felt obliged to issue a formal "denial" statement to the conclusion (not unanimous) of a dim and more or less powerless Congressional subcommittee is sufficient proof of the altered condition of the dollar.

This will be in evidence this week when the U.S. gold stock will drop to just over \$10,000m., the lowest point since the early 1930s. At the same time the U.S. is going to go to the IMF tomorrow to buy \$862m. worth of Belgian francs and Dutch guilders, since the central banks of Belgium and the Netherlands prefer to exchange dollars for an exchange rate-guaranteed credit at the Fund.

There has naturally been a revival of the traditional theory that when the gold stock hit \$10,000m., the U.S. would simply

close the gold window. There is

no evidence that the Nixon Administration plans such action. For the last year, the U.S. has, in fact, been financing its balance of payments deficit through reserves to a greater extent than before—as recommended at last year's annual IMF meeting by M. Pierre-Paul Schweitzer. Gold, SDRs and foreign exchange have all been

used to finance the U.S. trade deficit.

A spokesman said yesterday that the courses due to start in July and October had been cancelled. Next year's intake of trainees, scheduled for January, April and July, was under review.

Mr. Gordon Hurley, a spokesman for the British Airline Pilots' Association, said last night: "Although we were informed of this decision by the airline, we were not consulted.

Apart from the general aviation recession, BOAC's profitability and growth prospects have been affected by the long delay in the introduction of the Boeing 747 services due to a pilots' dispute, a loss of mail revenue as a result of the postal strike, the loss of lucrative West African routes transferred to the "second force" airline, Caledonian/BA, and additional security costs arising from the series of jacking and technical problems at the Heathrow cargo centre.

BOAC said that all the trainees involved will complete their courses. If successful this would enable them to take a seat on the flight deck. However, there was not much hope of them getting positions as pilots with the corporation.

Bonds weaker

The recent flurry of gold buying in Europe and the anti-dollar aspect of the financial markets, have had their repercussions here. The New York bond market has weakened and part of the interest rate rise over the last few months is ascribed to an inflation-cum-devaluation hedge.

Certainly, it has not been in response to purely market forces, since if supply and demand were the dominant factors interest rates would have been falling.

But, although the overvaluation of the dollar is admitted by many in the Treasury and the Federal Reserve, the greater anxiety still centres on the domestic economy.

French repayment back page

EEC: Wilson facing new pressures

BY JOHN BOURNE, LOBBY EDITOR

A PRESS report that Mr. Wilson may be reconsidering his attitude to the Common Market was strenuously denied yesterday by his Press secretary, Mr. Joe Haines.

"This story is completely without foundation," he said.

Mr. Wilson's verdict on the Common Market, which was approved by 168 votes at the Labour Party's National Executive meeting 10 days ago, is that the entry terms negotiated by Mr. Geoffrey Rippon must be opposed.

Labour MPs are convinced that he will continue to lead his party against the terms and will personally vote against them in the Commons on October 28.

But they have no doubt that Mr. Wilson is worried about two aspects of his role in the Common Market controversy.

He is his belief now that perhaps he went too far in his speech at Labour's special conference last month when he not only criticised the entry terms but gave the impression that he had a public policy on his point.

He said it was a difficult question but he gave the impression of a Labour Government doing its best to make the EEC easier to improve it.

His view is understood to be

that once Britain is in the Market, it would be impossible to turn the clock back.

For one thing, all Britain's old trading partners in the Commonwealth and elsewhere would then have begun to make their own new trading arrangements.

Mr. Wilson is therefore likely to support the pro-Market in their determination to resist, at all costs, the expected moves at this year's party conference at Brighton—and again at the Blackpool conference next year—to force the party leadership to follow a "pull out" policy.

Transport House has completed its plans for Labour's national campaign against the entry terms. In charge is Mr. Gwyn Morgan, who is the party's deputy general secretary and a dedicated pro-Market. He has had to step into the breach because Sir Harry Nicholas, the general secretary, is on holiday.

Shortage of funds will limit the campaign mainly to leaflets, car stickers, lapel stickers and window posters—all bearing a red "No entry" road sign and the words "Labour says no entry on Tory terms." About 750,000 leaflets have already been sent to constituency parties.

Twenty regional party meetings are to be held starting in September and culminating in a rally at Central Hall Westminster on October 18, the day Parliament reassembles and three days before the final debate on the Common Market.

The main speakers will include Mr. Ian Mikardo, the party chairman, Mr. James Callaghan, the treasurer, and Mr. Anthony Wedgwood Benn, the vice-chairman.

Tactfully, Transport House is not asking Mr. Roy Jenkins, the deputy leader, and head of the pro-Market, to take part.

Meeting

So far, Mr. Wilson is not on the list of speakers, but he will be speaking to the party conference in October and afterwards to the Parliamentary Labour Party as well as to the Commons. He is now on holiday in the Scilly Isles, returning to London towards the end of the month.

Labour pro-Market, as well as the Prime Minister and his Cabinet colleagues, will be addressing public meetings up and down the country in September and October.

BOAC's economies hit pilot intake

BY RAY DAFTER

THE decision by British Overseas Airways Corporation to restrict its intake of trainee pilots is symptomatic of the airline's cost-cutting measures and slow-down in growth of operations.

Next week, its annual report is expected to show an operating profit of the £50.7m. financial year of under £5m. compared with £31m. the previous year.

Although this is a serious drop, the airline will probably point out that a profit was achieved at a time of world airline recession when many of the major carriers were returning heavy losses.

Mr. Keith Granville, BOAC chairman, has already warned staff that "we must fight our

way out of trouble." PIP—profit improvement programme—has been in force for several months now in an attempt to boost the 1971-72 results by 10%.

Apart from PIP, the airline is cutting all unnecessary expenditure and freezing staff numbers. (The airline is striving to avoid redundancies.) This is the reason behind the week-end disclosure that BOAC is not to take on 100 pilots at present under training at Hamble, Hampshire, and Oxford.

BOAC said that all the trainees involved will complete their courses. If successful this would enable them to take a seat on the flight deck.

A spokesman said yesterday that the courses due to start in July and October had been cancelled. Next year's intake of trainees, scheduled for January, April and July, was under review.

Mr. Gordon Hurley, a spokesman for the British Airline Pilots' Association, said last night: "Although we were informed of this decision by the airline, we were not consulted.

Apart from the general aviation recession, BOAC's profitability and growth prospects have been affected by the long delay in the introduction of the Boeing 747 services due to a pilots' dispute, a loss of mail revenue as a result of the postal strike, the loss of lucrative West African routes transferred to the "second force" airline, Caledonian/BA, and additional security costs arising from the series of jacking and technical problems at the Heathrow cargo centre.

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SPORT 2: YACHTING... TENNIS

British team is under pressure

BY ALEC BEILBY

PLYMOUTH, August 8.

ADMIRAL'S CUP and Fastnet fever, which affected Cowes last week, has moved on to Plymouth as the 230 yachts sailing the 650-mile course from Cowes passed the Eddystone light and the Lizard on their way to the Fastnet rock off south-west Ireland. As early race reports arrived from aircraft, patrol craft and coastguard stations it seems that the British team are in danger of losing the 22 point lead that they held over the Australians when they started out from Cowes yesterday. The Fastnet race counts for triple Admiral's Cup points, the winning team yachts scoring 141.

After the start yesterday the three British yachts, Mr. Edward Heath's Morning Cloud, Mr. Arthur Slater's Prospect of Whitby and Mr. Bob Watson's Cervantes IV, played the cautious game, avoiding the risky entanglements with the Australians who have been taking a tough line on tactics during Cowes Week.

Starting as a team it appeared that Prospect of Whitby and Morning Cloud were more than maintaining their positions on handicap against their rivals, a hopeful sign as the wind was fresh from the south-west and exactly what the Americans and Australians needed to give their larger yachts the advantage. Cervantes had seemed to be the disappointment of the team as the vast fleet left the Solent. She was among yachts which had easily beaten during the three earlier races of the Admiral's Cup series.

During yesterday afternoon and early to-day the wind dropped appreciably and the tide set in from the west as the leaders approached Portland Bill and Lyme Bay where navigation and knowledge of tide dodging can pay dividends. When the yacht spotters went back to work to-day the tide took a tumble. While Mr. Ted Turner's 12 metre American Eagle, reserve yacht in the American team, led past the Lizard shortly after midday, Morning Cloud and Prospect of Whitby were sighted near the Eddystone light more than 30 miles astern. Two hours later coastguards at the Lizard sighted the Australian yachts Salacia II and Ragamuffin.

The sighting of Ragamuffin

Eastern bloc agrees on economic pool

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE SOVIET UNION and its partners in Comecon have agreed on a plan for economic integration over the next 15 to 20 years with the aim of increasing labour productivity, ensuring competitive power on the world market, and pooling efforts in advanced science and technology. The plan published in the Soviet Press this weekend, was agreed by the Comecon summit meeting on July 27 to 28.

One of its main features, which had already been announced, is the introduction of free convertibility for the member States' currencies, based on a convertible rouble. But planners will not get down to working out measures for this until 1973, and the programme did not say when the new system would be introduced. The convertible rouble is also gradually to be introduced with third countries, primarily socialist and developing nations.

Compromise

The integration plan as a whole is considered a compromise between Romania's insistence on national independence and her seven Comecon partners. It states specifically that "socialist economic integration proceeds on the basis of complete voluntarism and is not accompanied by the creation of supranational organs. It does not affect questions of domestic planning."

But it did say that member countries "regard co-operation of the five-year plan as one of the basic methods of planned co-operation". The eight Comecon nations will begin joint work on biology, physics, computer production, the generation of nuclear power for industrial purposes, and on protection of the environment.

Apparently anxious to take advantage of the technical know-how of the West, members have

agreed to let countries outside the bloc take part in their co-operation.

The programme also calls for joint planning of branches of industry, specialisation by each State so as to divide labour more rationally, co-operation in prospecting, joint economic forecasting and standardisation of machine systems, equipment and instruments.

This outline plan to streamline the activities of Comecon's member countries is unlikely to mean an immediate acceleration of technological progress in Eastern Europe in the immediate future. Countries with a larger agricultural base, such as Bulgaria, Romania and Mongolia will continue to develop at a vastly different pace than, for example, industrialised East Germany and Czechoslovakia.

But the plan may well give a formal air to the fact that the already started, within the so-called "international division of labour", in such areas as co-operation in computer manufacturing and computerisation.

Emphasis

The emphasis on convertibility may give some satisfaction to those member countries, such as Hungary, who have been seeking it for so many years. But that work towards convertibility is only to start in 1973 suggests its actual achievement — even in the Comecon area — is a long way off.

At least one objective of the Soviet planners will be to come closer to realisation through the implementation of this plan. They will legitimately be able to draw upon East European men, machinery or money to exploit their own vast untapped resources — apparently starting with non-ferrous metals, possibly copper or nickel.

£300,000 ring mill shop commissioned

THE £300,000 ring mill shop at Doncaster's Sheffield, the forgings and drop forgings subsidiary of Daniel Doncaster and Sons, has now been commissioned, it was disclosed at the week-end.

The installation, for forging plain (and subsequently profiled) rings, includes equipment to hold tighter tolerances, thus reducing machining allowances and consequently, according to the company, allowing customers to reduce machining time and save material.

Provision has been made in the design of the installation for further expansion. UPI

Malaysia aims to halt fall in rubber prices

KUALA LUMPUR, August 8.

THE MALAYSIAN GOVERNMENT was reported to-day to be planning to intervene in the market to halt the slipping price of rubber, trade sources said.

The reported move follows a slip in the price of rubber to the lowest level since 1967. On Friday, the market closed at 52 Malaysian cents (12½ pence) a kilo. The price has since 30 Malaysian cents (4p) since May 20.

Ministers were reported to have met rubber industry leaders last week seeking their co-operation for the Government move.

Under-18 winners confirm promise

BY JOHN BARRETT

DURING the past two weeks on the grass courts at Devonshire Park, Eastbourne, the best young talent in Britain has been paraded before a discerning, expectant audience. First the under-18s came under scrutiny in the Green Shield Junior Grass Court Championships and then it was the turn of the under-16s and under-14s who contested round robin groups from which the winners played on in the Green Shield National invitation event.

The two under-18 winners, Stephen Warboys (173), and Glynn Coles two months younger, each defended their top seed status with distinction and confirmed earlier impressions that they are two players who should have bright futures.

It has not been written about Warboys. He has had the sort of controversial upbringing which invites argument and discussion and his father has planned his sporting progress in several fields with meticulous care and considerable expense. Tennis has now become his chief concern at the expense of golf, at which he is a single figure man and his precocious talents have already brought him some notable scalps.

However, it has been his father's deliberate policy to snub him from competition against seniors of good class will best permit Stephen to develop at his own pace and encourage him to go for his shots without restraint. It is true, of course, that this policy bolsters confidence and allows experimentation with bold shot-making, at which Stephen excels for there is never the danger of a bad loss. However, it is a dangerous policy because ultimately a player's success depends upon his ability to face the moment of truth when he meets an inferior player in an inspired mood and has sent the ball into play somehow despite that interior choking feeling that inhibits normal shot-making.

This is the one area where a doubt remains over Warboys. In the few occasions when he has played in international junior events he has failed in the crisis. In the Eastbourne final, in a difficult windy day, he faltered slightly once again against John Lloyd, his Essex colleague, who, at 18, is one year younger, serving for the first set at 5-3. He played too careful a volley

BERTRAM GRIFFITHS LIMITED
(Wholesale Chemists and Druggists)

YEAR OF FURTHER SIGNIFICANT ADVANCE

The 21st annual general meeting of Bertram Griffiths Limited was held on August 6th in Cardiff. Mr. J. P. Roberts (Joint Managing Director) presided in the absence of the Chairman, Mr. Bertram L. Griffiths.

The following is the Chairman's circular statement:—

I am very pleased to report that the year has seen a further significant advance in our level of business activity and in profits earned.

Record Sales

Sales set a record £2,976,077, show an increase £305,783, or some 16% over the figure for the previous year, whilst net profit before taxation at £161,178 has risen by £47,841 or 37%.

Net profit for the year after taxation amounts to £108,704, which compares favourably with £68,370 last year. In my interim report, I indicated a final divi-

dend of "not less than 18%" and, in view of the results, the Directors are now pleased to recommend a payment of 22% payable on 9th August, 1971, making a total of 34% compared with 26% for the previous financial year.

I think it appropriate to refer again to the use being made by your Company of the services of a contractor. This was commenced in 1970, and has now been extended to cover all the major aspects of accounting at both branches. It is operating most satisfactorily and has undoubtedly been a factor in increasing efficiency and improving our service to customers.

Encouraging Current Trading

The value of Sales for the opening months of the current financial year shows an increase over that for the corresponding period last year, notwithstanding the increased charges, and I have every expectation that, in the absence of unforeseen circumstances, the present level will be at least maintained.

Record Sales

May I close my report by expressing, both for myself and on behalf of all shareholders, who I am sure would wish to be associated therewith, my thanks to my colleagues on the Board, our executives and all members of staff for their hard work and loyalty during the past year.

The report and accounts were adopted.

MAY & HASSELL LTD.

Very Satisfactory Progress

The following are salient points from the Statement of Mr. J. H. B. Atley (Chairman & Joint Managing Director):

- * In view of the sluggish demand during the last year, I am proud to present figures which must be considered very satisfactory.
- * Trading profit was £832,348 and showed an increase over last year of £127,584.
- * A total dividend of 16% is proposed (same). An increased dividend is not recommended as we have big projects ahead in the South West of England and in South Africa and these will need considerable finance.
- * The year under review has been a momentous and very successful one for your Shipping Company—record profits, the delivery of one newbuilding and the launching of her sister ship.
- * The present 3 months trading, with the exception of the Plywood and Hardwood Companies, show an increase in turnover and increased estimated profits, and under the present policy I have no reason to doubt that in spite of the difficulties that are around us this trend will continue; so again I am looking forward to another reasonable year.

REA BROTHERS LIMITED

INTERIM STATEMENT

The Accounts for the six months ended 30th June, 1971 show that the Group is making encouraging progress and that profits are running at a higher level than for the first half of 1970. The Directors believe that in the absence of unforeseen circumstances the profits for the year ending 31st December, 1971 will show a useful improvement over the previous year.

An Interim Dividend of 5½% (1970—5½%) has been declared in respect of the year ending 31st December, 1971 on the 'A' Ordinary Shares of £1 each, and will be payable on the 29th October, 1971 to Shareholders on the register at the close of business on the 29th September, 1971.

It is expected that the new works, which will employ 85 initially and 130 in the foreseeable future, will be in full production by September.

NCB £8m. contract for Crouch

Financial Times Reporter

DERRICK Crouch (Contractors), the Peterborough-based building and civil engineering group, has gained a further National Coal Board opencast mining contract. Worth over £8m., the deal provides for the production of 2.5m. tons of good quality coal at Radcliffe, near Ashington, Northumberland.

The site is close to that of the group's current operations at Radnor North, Widdington, near Morpeth. At Radcliffe, the target is 500,000 tons of coal a year, most of it for power station use.

Work on clearing 50m. cubic yards of surface soil, boulder clay and rock is to begin immediately, with the first production of coal expected in October.

Some 150 men are to be employed on the project, which will provide continuity of work for those already involved in the Radar North. That has been in operation since 1957 and has so far provided 11m. tons of solid fuel.

Derek Crouch's remaining opencast activities are in South Wales, where two sites are being mined and a coal washing complex operated.

ALEXANDER HALL CONTRACT

Alexander Hall and Son (Builders) Edinburgh, a member of Aberdeen Construction Group, has been awarded a £334,582 contract by Grampian Properties. It involves several works in the erection of a five-storey office block, together with car park, pavings, drainage and landscaping.

C&W Walker Holdings Limited

The Chairman: Mr. E. C. Woodall reports on 1971

★ Trading profit increased to £74,007 in difficult conditions.

★ Overall performance of the Group was depressed by two of the Subsidiary Companies.

★ All other companies continue to trade satisfactorily. Encouraging reception of new products.

Comparative Figures	1971	1970
Group Turnover	£3,195,896	£2,071,948
Trading Profit	£74,007	£63,764
Profit after taxation and exceptional items	£56,613	£74,671
Ordinary Dividend	14%	13%

The activities of the Group include the design, manufacture and erection of oil and petroleum storage tanks, quayheads, fractionating columns and similar steel platework fabrications for the process plant industries and the manufacture of other rigid synthetic materials.

Copies of the Report and Accounts may be obtained from the Secretary, C & W Walker Holdings Limited, Midland Iron Works, Donnington, Telford, Shropshire.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT continued—

GENERAL INFORMATION

United Kingdom Approval of the Borrowing

Consent of H.M. Treasury has been obtained to this issue in compliance with the Order made under Section 1 of the Borrowing (Control and Guarantees) Act, 1946 and approval has been given by the government of the United Kingdom required by the Articles.

Independent Auditor's Consent

Price Waterhouse & Co. have given and have not withdrawn their written consent to the inclusion of their opinion dated 23rd July, 1971 on the Financial Statements in the form and context in which it is included in this Offer for Sale.

Documents available for Inspection

Copies of the following may be inspected during normal business hours on any weekday (excluding Saturdays) at the offices of the Solicitors to the Bank, Freshfields, 1, Bank Buildings, Princes Street, London, EC2R 8AB and of the

Solicitors to the Issuing Houses, Slaughter & May, 35, Basinghall St, London, EC2V 5DB, during a period of fourteen days from 8th August, 1971.

(i) the Articles;

(ii) the Bretton Woods Agreements Act, 1945, and the Bretton Woods Agreements Order in Council, 1946;

(iii) the Instrument dated the 6th August, 1971, constituting the Stock;

(iv) the Contract dated the 6th August, 1971, between the Bank and Issuing Houses being the Contract referred to above;

(v) the Annual Reports of the Bank for its fiscal years ended 30th June, 1970 and 30th June, 1970;

(vi) the Audited Financial Statements of the Bank for its fiscal year ended 30th June, 1971;

(vii) the consent of the Independent Auditor referred to above, 8th August, 1971.

APPLICATION FORM

THE APPLICATION LIST FOR THE STOCK WILL OPEN AT 10 a.m. ON THURSDAY, 12th AUGUST, 1971 AND WILL CLOSE ON THE SAME DAY.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

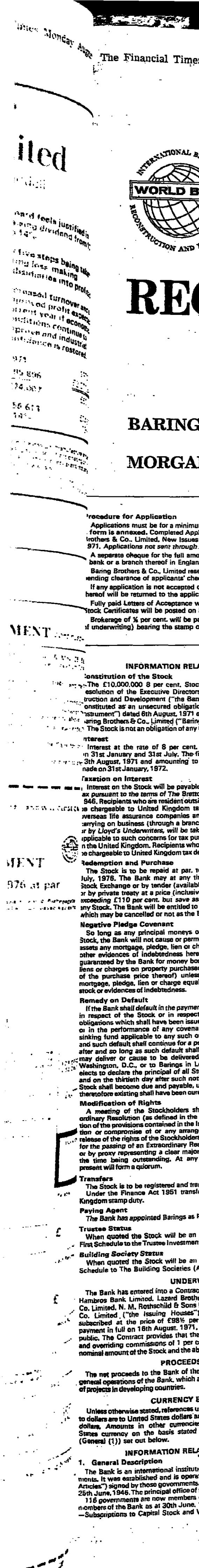
Offer for Sale of £10,000,000 8 per cent. Stock 1976 at par

This form should be completed and lodged with Baring Brothers & Co. Limited, New Issues Department, 8, Bishopsgate, London, EC2N 4AE (parcels callers 145, Leadenhall Street), together with a remittance for the full amount payable as at 10 a.m. on Thursday, 12th August, 1971.

Applicants are advised to allow two days for delivery through the post and to use first class mail.

Applications must be for a minimum of £100 nominal of Stock or multiples thereof.

Amount of Stock applied for	Amount
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Application has been made to the Council of The Stock Exchange, London for permission to deal in and for quotation for the Stock now offered.
The Application List will open at 10 a.m. on Thursday, 12th August, 1971 and will close on the same day.
Applications for the Stock must be made to Baring Brothers & Co. Limited on the forms provided.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Offer for Sale of £10,000,000 8 per cent. Stock 1976 at par

by

HAMBROS BANK
LIMITED

BARING BROTHERS & CO.,
LIMITED

MORGAN GRENFELL & CO.
LIMITED

N. M. ROTHSCHILD & SONS
LIMITED

LAZARD BROTHERS & CO.,
LIMITED

J. HENRY SCHRODER WAGG & CO.
LIMITED

Procedure for Application

Applications must be for a minimum of £100 nominal of Stock or multiples thereof and must be made on the Application Forms provided. For convenience forms are annexed. Completed Application Forms, accompanied by remittance for the full amount payable, should, if sent by post, be forwarded to Baring Brothers & Co. Limited, New Issues Department, 8 Bishopsgate, London, EC2N 4AE, so as to arrive there not later than 10 a.m. on Thursday, 12th August, 1971. Applications not sent through the post should be delivered to Baring Brothers & Co. Limited at 145, Leadenhall Street, London.

A separate cheque for the full amount payable must accompany each application and must be made payable to Baring Brothers & Co. Limited, drawn on bank or a branch thereof in England, Scotland or Wales and crossed "not negotiable".

Baring Brothers & Co. Limited reserve the right to present all cheques for payment on receipt, to retain Letters of Acceptance and surplus application moneys pending clearance of applicants' cheques, and to reject or scale down any application.

If any application not accepted is accepted for a smaller amount of Stock than the amount applied for, the application moneys or the excess amount thereof will be returned to the applicant by cheque sent through the post at the applicant's risk.

Fully paid Letters of Acceptance will be sent by post to successful applicants at their risk and will be renounceable up to and including 4th October, 1971.

Stock Certificates will be posted on 6th November, 1971.

Brokerage of 1/2 per cent. will be paid on the nominal amount of Stock allotted pursuant to applications for the Stock (other than applications arising out of underwriting) bearing the stamp of a recognised Banker or a Member of a Stock Exchange in the United Kingdom.

Copies of this Offer for Sale and Application Forms may be obtained from:

Baring Brothers & Co. Limited,
8, Bishopsgate, London, EC2N 4AE.

Hambros Bank Limited,
41, Bishopsgate, London, EC2P 2AA.

Lazard Brothers & Co. Limited,
11, Old Broad Street, London, EC2P 2HT.

Cazenove & Co.,
12, Tokenhouse Yard, London, EC2R 7AN.

Penmure Gordon & Co.,
21, Austin Friars, London, EC2N 2ES.

Morgan Grenfell & Co. Limited,
23, Great Winchester Street, London, EC2P 2AX.

N. M. Rothschild & Sons Limited,
New Court, St. Swithin's Lane, London, EC4P 4DU.

J. Henry Schroder Wag & Co. Limited,
120, Cheapside, London, EC2V 6DS.

Rowe & Pitman,
Woolgate House, Coleman Street, London, EC2R 5BL.

Joseph Sebag & Co.,
3, Queen Victoria Street, London, EC4N 8DX.

or from the
Brokers to the Offer for Sale

Rowe & Pitman,
Woolgate House, Coleman Street, London, EC2R 5BL.

Joseph Sebag & Co.,
3, Queen Victoria Street, London, EC4N 8DX.

INFORMATION RELATING TO THE STOCK

Constitution of the Stock

The £10,000,000 8 per cent. Stock 1976 ("the Stock") was created by resolution of the Executive Directors of the International Bank for Reconstruction and Development ("the Bank") passed on 3rd August, 1971 and is constituted as an unsecured obligation of the Bank by an instrument ("the instrument") dated 6th August, 1971 executed by the Bank and deposited with Baring Brothers & Co. Limited ("Barings").

The Stock is not an obligation of any Government.

Interest on the Stock

Interest on the Stock will be payable without deduction of United Kingdom tax pursuant to the terms of the Bretton Woods Agreements Order in Council 1946. Recipients who are residents outside the United Kingdom will not normally be chargeable to United Kingdom tax on the interest. Interest received by overseas life assurance companies and banks who are resident abroad and carrying on business (through a branch or otherwise) in the United Kingdom, or by Barings' Underwriters, will be taken into account under the special rules applicable to such concerns for tax purposes in computing their profits arising in the United Kingdom. Recipients who are residents in the United Kingdom may be chargeable to United Kingdom tax depending on their circumstances.

Redemption and Purchase

The Stock is to be repaid at par, together with accrued interest, on 31st July, 1976. The Bank may at any time purchase Stock on any recognised Stock Exchange or by tender (available to all Stockholders alike) at any price or by private treaty at a price (inclusive of expenses and accrued interest) not exceeding £110 per cent. but save as aforesaid the Bank may not purchase any Stock. The Bank will be entitled to hold and deal with Stock so purchased, which may be cancelled or not as the Bank thinks fit.

Negative Pledge Covenant

So long as any principal moneys or interest remain due in respect of the Stock, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge, lien or charge as security for any bonds, stock or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than mortgages, pledges, liens or charges on property purchased by the Bank as security for all or part of the purchase price thereof) unless the Stock shall be secured by such mortgage, pledge, lien or charge equally and ratable with such other bonds, stock or evidences of indebtedness.

Remedy on Default

If the Bank shall default in the payment of any principal moneys or interest due in respect of the Stock or in respect of any other bonds, stock or similar obligations which shall have been issued, assumed or guaranteed by the Bank, or in the performance of any obligation in respect of any purchase fund or sinking fund applicable to such other bonds, stock or similar obligations and such default shall continue for a period of 90 days, then at any time thereafter and so long as such default shall subsist the holder of any of the Stock may, deliver a notice to be delivered to the Bank at its principal office in London or to Barings in London written notice that such holder elects to declare the principal of all Stock held by him to be due and payable and on the thirtieth day after such notice is so delivered the principal of such Stock shall become due and payable, unless prior to that time all such defaults therefore existing shall have been cured.

Modification of Rights

A meeting of the Stockholders shall have power exercisable by Extraordinary Resolution (as defined in the instrument) to assent to any modification of the instrument, to amend or to rescind any provision of or any arrangement in respect of or abrogation or amendment of the rights of the Stockholders against the Bank. The quorum required for the passing of an Extraordinary Resolution is the holders present in person or by proxy representing a clear majority in nominal amount of the Stock for the time being outstanding. At any adjourned meeting the Stockholders present will form a quorum.

Transfers

The Stock is to be registered and transferable in amounts or multiples of £1. Under the Finance Act 1951 transfers of the Stock will be free of United Kingdom stamp duty.

Paying Agent

The Bank has appointed Barings as Paying Agent and Registrar of the Stock.

Trustee Status

When quoted the Stock will be an investment falling within Part II of the Schedule to the Trustee Investments Act 1951.

Building Society Status

When quoted the Stock will be an investment falling within Part 1 of the Schedule to The Building Societies (Authorised Investments) Order 1962.

UNDERWRITING

The Bank has entered into a Contract dated 6th August, 1971 with Barings, Hambros Bank Limited, Lazard Brothers & Co. Limited, Morgan Grenfell & Co. Limited, N. M. Rothschild & Sons Limited and J. Henry Schroder Wag & Co. Limited ("the Issuing Houses") whereby the Issuing Houses have subscribed at the price of 98 1/2 per cent. for the whole of the Stock, for payment in full on 16th August, 1971, with a view to offering it for sale to the public. The Contract provides that the Issuing Houses will pay underwriting and overriding commissions of 1 per cent. and 1/2 per cent. respectively on the nominal amount of the Stock and the above mentioned brokerage.

PROCEEDS OF ISSUE

The net proceeds to the Bank of the issue of the Stock will be used in the general operations of the Bank, which are concerned mainly with the financing of projects in developing countries.

CURRENCY EQUIVALENTS

Unless otherwise stated, references under "Information Relating to the Bank" to dollars are to United States dollars and the symbol "\$" means United States dollars. Amounts in other currencies have been converted into United States currency on the basis stated in "Notes to Financial Statements" (General (1)) set out below.

INFORMATION RELATING TO THE BANK

1. General Description
The Bank is an international institution, the members of which are governments. It was established and is operating under Articles of Agreement ("the Articles") signed by these governments. The Bank officially began operations on 25th June, 1946. The principal office of the Bank is located in Washington, D.C. 116 governments are now members of the Bank. Information relating to the 116 members of the Bank as at 30th June, 1971 is set out below in "Statement D—Subscriptions to Capital Stock and Voting Power".

The principal purposes of the Bank are:

- to assist in the reconstruction and development of its member countries by facilitating the investment of capital for productive purposes, thereby promoting the longer range growth of international trade and the improvement of standards of living;
- to promote private foreign investment by guarantees of or participations in loans and other investments made by private investors; and
- when private capital is not available on reasonable terms, to supplement private investment by making loans for productive purposes out of its own resources or funds borrowed by it.

2. Capital

The authorised capital of the Bank is £27,000,000,000 in terms of United States dollars of the weight and fineness in effect on 1st July, 1944, divided into 270,000 shares of the par value of £100,000 each. At 30th June, 1971, the total subscribed capital was £23,871,000,000 of which 10 per cent. had been paid up. Certain members have been authorised by resolution of the Board of Governors of the Bank to subscribe additional shares of the Bank's capital up to an aggregate amount of £1,669,300,000; of this amount £17,800,000 had been subscribed as at 31st July, 1971 of which 10 per cent. had been paid up.

Of the subscribed capital at 30th June, 1971:

- £18,016,288 paid in gold or United States dollars may, under the Articles, be freely used by the Bank in any of its operations.
- The equivalent of \$2,066,414,381 paid in the currencies of the subscribing members may, under the Articles, be lent only with the consent of the member whose currency is involved. As at 30th June, 1971, the equivalent of \$1,640,400,000 had with such consent been used for lending purposes or allocated for such use. An additional amount equivalent to \$2,689,321 in this category was due from five members in order to maintain the value of their currencies as required by the Articles. (See Note A in the "Notes to Financial Statements" set out below.)

- The equivalent of £19,096,600,000 may, under the Articles, be called only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. This amount is thus not available for use by the Bank in making loans. Payment on any such call may be made, at the option of the particular member, either in gold, in United States dollars or in the currency required to discharge the obligations of the Bank for which such call is made. No calls have been made on this portion of the subscribed capital.

- Pursuant to resolutions of the Board of Governors of the Bank, the equivalent of \$2,397,100,000 is to be called only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. On calls on this amount, 10 per cent. would be payable in gold or United States dollars and 90 per cent. in the currencies of the subscribing members. While these resolutions are not legally binding on future Boards of Governors, they do record an understanding among members that such amount shall not be called for use by the Bank in its lending activities or for administrative purposes.

The uncalled subscribed capital referred to in (3) and (4) above, totalling the equivalent of \$21,483,800,000, is a part of the assets of the Bank of which it is bound to avail itself when and to the extent necessary to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. The obligations of the members of the Bank to make payment on calls on this amount are independent of each other. A failure of one or more members to make payment on such a call would not excuse any other member from its obligation to make payment. However, no member may be required to pay more than its unpaid subscription.

The Bank has not declared or paid any dividends to its members.

3. Funded Debt

At 30th June, 1971 the Funded Debt of the Bank, expressed in United States dollars, amounted to the equivalent of \$5,424,161,542. Details of the composition of this sum and certain further information relating thereto are set out below in "Statement F—Summary of Funded Debt". The above amount, as adjusted by the amounts of the transactions referred to in the footnotes to that statement, should be further adjusted by subsequent net borrowings in Germany of the equivalent of \$22,189,672. In addition the Bank has announced that it intends to offer for sale £175,000,000 Twenty-Five Year Bonds in the United States on 11th August, 1971.

4. Membership of United Kingdom

The United Kingdom became a member of the Bank pursuant to the Bretton Woods Agreements Act, 1945. The United Kingdom has subscribed \$2,800,000,000 of the capital of the Bank and is entitled to cast 26,250 votes, i.e. approximately 10 per cent. of the total votes of all present members. In respect of its subscription, the United Kingdom has paid an amount equivalent to \$260,000,000 as follows: \$26,000,000 in United States dollars and \$234,000,000 in pounds sterling. The unpaid portion of the subscription of the United Kingdom of \$2,340,000,000 equivalent may be called only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. As to \$2,080,000,000 the restriction on such calls is imposed by the Articles and as to \$260,000,000 by resolutions of the Board of Governors.

5. Operations of the Bank

The Bank's lending operations have conformed generally to five principles derived from the provisions of the Articles. They are:

- The Bank makes loans either to member governments or to governmental authorities or agencies or private enterprises in the territories of member governments. A loan which is not made directly to the government in whose territory the project being financed is located must be guaranteed as to principal, interest and other charges by the government or its central bank or a comparable agency of the government acceptable to the Bank. A guarantee by the government itself has been required in all such cases to date. (See, however, "Bank Loans to IFC".)
- Loans must be for productive purposes. Loans which, in the Bank's opinion, cannot be justified on economic grounds are excluded.
- In making loans, the Bank must act prudently and pay due regard to the prospects of repayment, taking into account the necessity of the borrower obtaining the foreign exchange required for service of the loan.
- The Bank does not make loans which are obtainable in the private market on reasonable terms. The Bank is intended to promote private investment, not to compete with it, and does not undertake business which private investors are willing to transact on a reasonable basis.
- The use of loan proceeds is supervised. The Bank makes arrangements to ensure that funds loaned are used only for authorised purposes, with due attention to considerations of economy and efficiency.

Within the scope permitted by the Articles, this policy must necessarily be developed and adjusted in the light of experience and changing conditions.

Loans Operations

The Articles contain a provision whereby the total amount outstanding of guarantees, participations in loans and direct loans made by the Bank may not be increased at any time to an amount in excess of the total subscribed capital, reserves and surplus of the Bank as at that time.

Funds of disbursements under loans made by the Bank have been obtained from the Bank's paid up capital, from funds derived from the Bank's operations, from the issue of its own obligations, from loan repayments and from sales of

portions of loans. (See "Statement C—Source and Application of Funds" set out below.)

From its establishment to 30th June, 1971, the Bank had entered into loan commitments, in an aggregate principal amount equivalent to \$16,493,527,893, to finance programmes or projects in 88 countries. The loan commitments effective and held by the Bank as at 30th June, 1971 totalled \$9,980,181,357, of which the undisbursed balance was \$3,394,203,765.

Further details of loans made by the Bank which were outstanding at 30th June, 1971 are set out below in "Statement E—Summary of Loans". These loans were made for the following purposes expressed in broad categories: electric power, transportation and communications, industry, agriculture and forestry, water supply, education, family planning, tourism, general development and reconstruction.

The Bank estimates that total disbursements up to 30th June, 1971 for the purchase in the United Kingdom of goods and services financed by Bank loans amounted to the equivalent of approximately \$1,541,000,000.

Other Activities

In addition to its financial operations, the Bank has furnished technical assistance to its member countries, both in connection with and independently of loan applications. Such assistance has taken a variety of forms, including the assignment of qualified technicians to survey development possibilities of member countries, to analyse their fiscal and economic problems, to appraise projects suitable for investment and to assist member countries in drawing up development programmes. To assist the developing countries the Bank has also established an Economic Development Institute: this provides for selected groups of

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT *continued***

FINANCIAL STATEMENTS

Apart from certain additional information in Statement B relating to the four fiscal years ended 30th June, 1970 the following Statements have been extracted from the audited Financial Statements of the Bank for its fiscal year ended 30th June, 1971. There is also set out the opinion of the Independent Auditor on those Statements as expanded to include reference to the additional information mentioned above.

Statement A.—BALANCE SHEET AT 30th JUNE, 1971

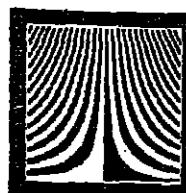
Expressed in United States Currency (in Thousands)—See Notes to Financial Statements

ASSETS		LIABILITIES, RESERVES AND CAPITAL	
Due from Banks and Other Depositories	\$	\$	
Unexpired currencies	51,237		
Currencies subject to restrictions—Note A	72,026		
	124,303		
Investments			
Obligations of governments and their instrumentalities (at cost or amortized cost; face amount \$1,226,845)	1,216,389		
Time deposits (at cost or amortized cost; face amount \$385,471)	988,424		
Accrued interest	56,512		
Receivable on Account of Subscribed Capital (See Statement D)—Note A			
Non-negotiable non-interest bearing demand notes	382,391		
Amounts required to maintain value of currency holdings	2,669		
Loans (See Statement E)			
Less—Loans signed but not yet effective	11,327,381		
Effective loans (including undisbursed balance \$3,394,203)	1,247,180		
Accrued charges on loans	107,073		
Receivable from Participants on Account of Effective Loans Agreed to be Sold (including undisbursed balance \$8,811)	13,883		
Undisbursed Bond Insurance Costs	38,716		
Land and Buildings	41,253		
Less—Reserve for depreciation	4,627		
Other Assets	36,866		
Special Reserve Fund Assets—	6,518		
Note B			
Investment securities—Obligations of United States Government and its instrumentalities (at cost or amortized cost; face amount \$288,141)	292,072		
Accrued loan commissions	100		
	292,172		
Total	13,246,537		

Statement D.—SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER AT 30th JUNE, 1971

Expressed in United States Currency (in Thousands)—See Notes to Financial Statements

Member	Subscriptions		In currency of member of International Development Association	In United States dollar terms (Note A)	In member of International Development Association terms (Note A)	Subject to call to meet obligations of the Bank (Note E)	Voting Power	Number of votes	Percent of total
	Shares	Percent of total (Note D)	Amount (\$)						
Afghanistan	300	.13	30,000	300	1,200	27,000	550	.21	
Algeria	800	.34	80,000	800	72	7,128	1,050	.39	
Argentina	3,733	1.58	373,300	16,772	1,000	19,558	335,970	3,983	1.49
Australia	5,330	2.23	533,000	5,330	47,970	—	475,700	5,580	2.08
Austria	1,857	.78	185,700	1,857	16,803	—	168,030	2,117	.73
Belgium	5,545	2.32	554,500	5,545	40,584	9,311	498,050	5,785	2.17
Bolivia	210	.09	21,000	210	13	1,877	16,900	480	.17
Bosnia	32	.01	3,200	32	16	272	2,880	282	.11
Brazil	3,733	1.58	373,300	3,733	33,587	—	336,970	3,983	1.49
Burma	507	.21	50,700	507	1,207	3,356	45,630	757	.28
Bundschuh	150	.06	15,000	150	21	1,328	13,500	400	.15
Cameroun (1)	200	.08	20,000	200	28	1,771	18,000	450	.17
Canada	7,820	3.32	782,000	7,820	71,280	—	71,280	8,170	3.05
Central African Republic	100	.04	10,000	100	38	882	8,000	350	.13
Ceylon	827	.36	82,700	827	908	6,535	74,430	1,077	.40
Chad	100	.04	10,000	100	24	876	9,000	350	.13
Chile	233	.39	23,300	233	6,287	5,970	11,183	444	.15
China	7,500	3.14	75,000	7,500	9,043	58,487	67,600	7,780	2.50
Colombia	933	.39	9,300	933	—	—	63,970	1,183	.44
Congo, Dem. Rep. of	960	.40	9,600	960	684	7,846	86,400	1,210	.45
Congo, People's Rep. of (1)	100	.04	10,000	100	27	775	8,000	350	.13
Costa Rica	107	.05	10,700	487	603	5,630	357	1,050	.39
Cyprus	213	.05	21,000	213	2,086	15,970	463	1,050	.39
Dahomey	100	.04	10,000	100	31	889	5,000	350	.13
Denmark	2,211	.93	221,100	2,211	16,597	4,302	198,990	2,481	.92
Dominican Republic	143	.06	14,300	143	573	714	12,870	393	.15
Ecuador	171	.07	17,100	1,710	—	—	15,380	421	.16
El Salvador	107	.05	10,700	287	783	—	9,830	357	.13
Equatorial Guinea	64	.03	6,400	64	578	—	5,780	314	.12
Ethiopia	114	.05	11,400	1,014	126	—	10,280	364	.14
Fiji	111	.05	11,100	111	898	—	8,890	361	.14
Finland	1,333	.56	133,300	1,333	11,987	—	119,870	1,583	.59
France	10,500	4.40	105,000	10,500	94,800	—	94,800	10,750	4.02
Gabon	100	.04	10,000	100	32	888	9,000	350	.13
Gambia, The	53	.02	5,300	53	6	471	4,770	303	.11
Germany	13,653	5.72	136,500	13,653	117,119	5,753	122,970	13,903	5.19
Ghana	734	.31	73,400	734	1,882	4,714	68,980	984	.37
Greece	867	.28	66,700	867	8,003	—	60,030	817	.34
Guatemala	107	.05	10,700	467	603	—	9,630	357	.13
Guinea	200	.08	20,000	200	1,800	—	18,000	400	.15
Guyana	160	.07	16,000	160	1,425	14,400	410	410	.15
Haiti	150	.06	15,000	150	41	1,308	12,000	400	.15
Honduras	30	.03	3,000	30	—	—	2,700	330	.11
Iceland	150	.08	15,000	1,500	—	—	13,500	400	.15
India	5,000	.37	90,000	9,000	26,617	54,383	81,000	9,250	.24
Indonesia	2,200	.92	22,000	698	18,102	198,000	2,450	—	.92
Iraq (2)	1,285	.54	128,600	1,285	3,474	115,740	1,635	575	.57
Ireland	640	.27	64,000	640	1,350	4,410	57,800	850	.33
Ireland (Island)	863	.40	86,900	4,544	1,218	3,727	88,810	1,208	.45
Italy	6,880	2.79	68,800	6,880	55,940	—	58,940	6,910	.28
Ivory Coast	200	.08	20,000	200	1,800	—	18,000	450	.17
Jameson (2)	400	.17	40,000	2,520	25	1,365	36,000	650	.24
Japan	10,230	4.28	1,023,000	10,230	92,070	—	92,070	10,490	3.82
Jordan	163	.07	16,300	163	61	1,408	14,670	413	.15
Kenya	333	.14	33,300	333	1,751	1,246	28,970	583	.22
Khmer Republic	203	.09	20,300	203	18	1,609	16,270	453	.17
Korea	533	.22	53,300	533	1,130	3,867	47,970	783	.29
Kuwait	667	.28	66,700	667	8,003	—	60,030	917</	



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• PROCESSES

BP offers licence

BRITISH Petroleum's isomerisation process converts low-octane number normal paraffins to highly branched iso-paraffins of high octane number which can be included in motor gasoline blends, reducing the requirement for anti-knock lead additive. Isomerisation is effected by a platinum-alumina base catalyst.

The company has now authorised Engelhard Minerals and Chemicals Corporation, of U.S.A., to receive and progress technical inquiries on the isomerisation process on a world-wide basis. The process is available under licence from BP Trading, Moor Lane, London, E.C.2.

With the recent successful start-up of a 6,000 barrels a day unit at BP Italiana S.p.A. refinery at Volpiato, near Turin, there are

Lengthens the life of cloth

AS a result of development work on Northern Rubber Company's back-coating unit, the company is now offering a fabric impregnation service.

The process enables the company to impregnate many materials with various combinations of resins for extending the life of either natural or synthetic cloths. Fabric to be treated is brushed, vacuumed and then passed through a trough containing the resin mixture.

Rollers then squeeze out excess liquid, water is evaporated and then the resin is polymerised. Impregnation, a kind of "semi-starching" process for stabilising fabric, doubles resistance to abrasion, prevents seam slippage, ladder and fraying and reduces shrinkage by up to 10 per cent, according to the company.

Northern Rubber is able to treat most types of natural and man-made fibre cloths, but only quantities of nominal 5,000 yards or more are accepted, as the 120 feet long plant is operated on a continuous running basis.

However, the company accepts mill samples from customers for demonstration purposes. The company which is at Retford, Notts, is a member of the Tegor-Hattersley Group.

Ultraviolet high speed ink drying

PRINTING inks usually depend on either stock penetration, oxidation, application of heat, or moisture setting for drying. All of these methods have certain disadvantages.

It is claimed that a new method of drying with ultraviolet energy and photosensitive inks has many advantages over conventional systems. In sheet fed work there will no longer be the need to wait overnight for drying by oxidation. Spray powder becomes unnecessary, and because of the press stability of the new ink there is no downtime caused by drying on the press or by machine wash-ups.

The ink, the Ultraking range, has been developed by the Fishburn Printing Ink Company, St Albans Road, Watford, WD2 4BU, mainly for lithographic printing. On a production two-colour sheet-fed lithopress they have demonstrated the drying of photo-sensitive inks on both paper and board at speeds of 6,000 i.p.h. In the U.S. the ink has been used on a four-colour web-offset press at speeds of 1,050 f.p.m.

The UV cure technology can be applied to letterpress printing, and work on overprint varnishes, functional coatings and flexo-gravure inks is in progress.

• COMPUTERS

Grant for Datatorm 3 from NRDC

THE National Research and Development Corporation (NRDC) has agreed to provide

up to £100,000 for the further development of Datatorm 3, the data capture terminal/reader made by Data Recognition of Loverock Road, Reading, Berkshire. The money will be repaid by a percentage of sales of products resulting from the agreement.

Formed about 3½ years ago, Data Recognition specialises in optical mark reading (OMR) techniques which enable data prepared in the form of simple machine-made marks on documents to be converted automatically into a form suitable for computer processing, thus avoiding the need to key punch.

The company has recently supplied a Datatorm 3 machine to the Medical Computing Services Department of Charing Cross Hospital. It will be used initially in conjunction with a paper tape punch to convert data recorded by doctors, laboratory and administrative staff as marks on pre-printed forms, into punched tape for input to a computer, but eventually will be connected on-line to an in-house computer.

ERA studies peripherals

TWO further new studies con-

cerning minicomputers are to be undertaken by the Electrical Research Association, of Cleeve Road, Leatherhead, Surrey. One

will be directed towards peripherals suitable for these smaller machines and the other will examine interfaces between minicomputers and their peripherals.

With peripherals forming an increasing proportion of system cost, ERA believes that there is an urgent need for an independent and reliable assessment of the peripheral market, and that their independence of commercial interest gives them a major advantage in carrying out this kind of work.

ERA says that the practice of purchasing a computer system from a single supplier is becoming

less attractive as mini-computers become more powerful and are built into increasingly complex systems. The process studies group at the association is to devote several man years to a detailed study of the engineering aspects of interfacing a range of devices to mini-computers, together with a study in depth of the technology, performance and availability of minicomputer peripherals.

The studies will mainly address themselves to the needs of users. However, ERA says that they will be of direct concern to suppliers of equipment and consultants, from whom it would like to hear if not already approached.

The results of each project will be available only to organisations that support it financially. This shared cost arrangement, says ERA, provides clients with the unique opportunity to derive maximum benefit at low cost for many man years of effort expended by the association.

The project fee is £175 for ERA members and £200 for others.

• MATERIALS

Insulation in furnaces

FOUR grades of slab insulation

material for furnaces developed by the Skamol Group of Denmark are now being marketed in the U.K. by Refractories of Arcade Chambers, Eltham High Street, London, SE9.

The standard slab insulation, say this company, is basically made of calcined diatomaceous earth and is suitable as a back-up insulation for temperatures up to 950°C. It is softish in texture with a minimum and allowing very high speeds to be attained. It is also claimed for this type of construction that it is much more comfortable in a quartering sea than a conventional ship or a catamaran.

Rigid slab insulation, manufactured from the same raw material as the standard, but harder in texture and greater in density, has a maximum temperature range as back-up medium of 750°C. In order to increase its structural stability it has no compressibility.

For situations where the interface temperature can be as high as 1,100°C, a vermiculite based slab is available, while a composite slab based on vermiculite on the hot face and diatomaceous earth on the back can be used for temperatures up to 1,100°C.

The slabs are supplied in maxi-



Now being produced by Remptone Engineering of Loughborough, Leicestershire, this bench-type pneumatic press is operated by a Scovill/Schrader pneumatic system operating at 80 lbs per square inch. The press can exert a force of 10 tons on material 0.05-inches thick. It is claimed to be suitable for many operations, including embossing, forming, piercing and bending.

• TRANSPORT

Fast hybrid ship for U.S. Navy

TESTS are to start in the next few weeks of a surface effect ship built specially for the United States Navy by the SES Division of Aerojet General.

Weighing 100 tons, the craft is intended to allow the navy to evaluate this type of design for military vessels. It is expected to be able to maintain speeds in excess of 80 knots, making it fast enough to outrun storms, as well as giving it an operational speed between that of an aircraft and a conventional vessel.

Initial development work on this type of ship was carried out in the U.K. where it was known as the rigid sidewall hovercraft. One of these craft, built by Denny of Dumbarton, Scotland, did in fact operate on the Thames for some time.

Aerojet's craft has rigid sidewalls, reminiscent of narrow catamaran hulls, with flexible skirts fore and aft to retain the slabs on to steel or concrete frames to hold them in position while the hot face refractory work is going on.

When in motion the cushion effect lifts the hull so that the sidewalls are immersed in the water to a depth of only a few inches. Wetted surface area is thus very low, keeping drag to a minimum and allowing very high speeds to be attained.

It is also claimed for this type of construction that it is much more comfortable in a quartering sea than a conventional ship or a catamaran.

Directional stability of the ship is improved over normal hovercraft by the keel effect of the twin sidewalls, and the rear propulsion jets can be swivelled for low-speed manoeuvring. In addition, they are fitted with thrust reversers for slowing or reversing.

Overall size of the test craft is 32 feet long and 42 feet wide but, according to Admiral Elmo Zumwalt, Chief of Naval Operations, if the Puget Sound tests bear out the expectations of the designers, the Navy intends to go to much larger vessels weighing several thousands tons and with speeds of between 90 and 100 knots.

• COMMUNICATIONS

Faster cable jointing method used

MODULAR system splicing the rapid method of joining telephone cables developed recently by the 3M Company, has been adopted by the States of Jersey Telephone Department.

This is the first British telephone authority to use the system. The first connection modules, each designed to connect 25 pairs of insulated conductors simultaneously, have been sent to Jersey, and it is intended to use them im-

mediately. Each module, measuring 150mm by 19mm by 12mm, is made of three interlocking parts, base, body and cover. Test points for checking circuits are incorporated in the module.

During installation, the 50 conductors from one end of the circuit are laid in the base, which is held in the splice head. The body is positioned over the base, and the other 50 conductors arranged in the body. The cover is then fitted and the three components compressed to complete the join.

Excess wire is trimmed from the conductors automatically as the unit is being pressed in the crimping tool.

The counter generates binary-coded-decimal count input pulses which is held in a latch during a sampling period determined by external control signals.

• INSTRUMENTS

Equipment servicing aided

A NEW Philips 25 MHz

trace oscilloscope has been introduced by Pye Unicam of York Street, Cambridge.

Known as the PM 3210, the

instrument employs integrated signal delay lines on both main channels and because of this is particularly suited to digital logic and computer service work, as also has application in the field of communications and television areas.

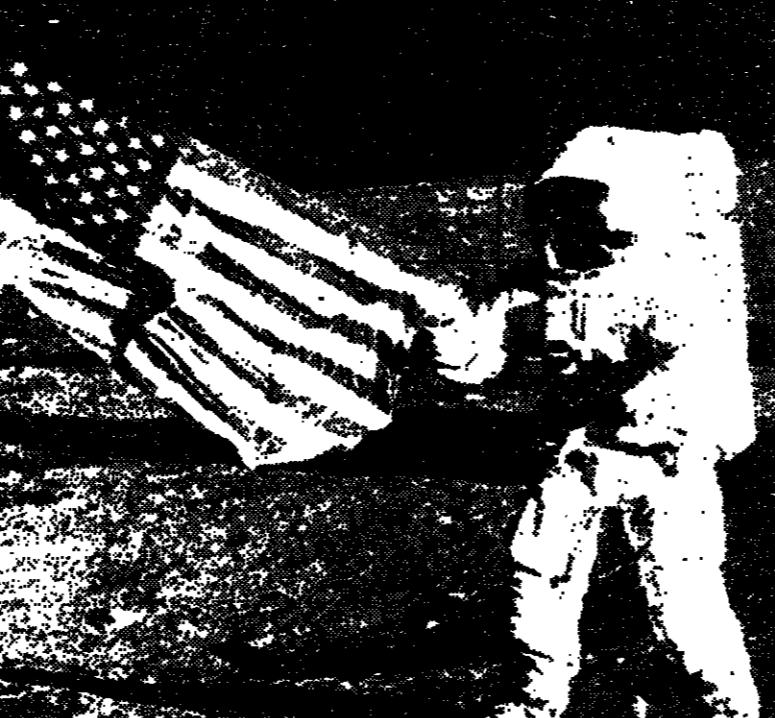
The company says that a Schottky barrier diode, type BAV46, developed for use in Doppler radar intruder alarms and similar equipment has been announced by Mullard of Tordington Place, London, WC1E 7HD.

These systems require a diode that exhibits low flicker noise at frequencies close to the carrier frequency, and a high conversion efficiency with or without dc bias when driven by low level signals from the local oscillator. Mullard claims that the BAV46 meets both these requirements and is also able to maintain stable characteristics under the rough conditions often encountered by portable equipment.

The diode has an overall noise figure of typically 10dB at 1kHz from the carrier frequency, a performance, says the company, substantially better than the best point-contact diode. Under typical operating conditions, forward current would be 30 microamps and the RF level one microwatt at 9.375GHz. Its conversion efficiency is stated to be typically one microamp per microvolt.

The BAV46 can be mounted across an X-band waveguide, is in an hermetically sealed encapsulation and can operate in the temperature range minus 55 deg. C to plus 150 deg. C.

Sometimes an advanced technology company needs a bank with a few 'firsts' to its name



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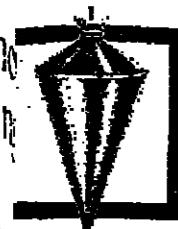
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Building and Civil Engineering

5m. Dubai land recovery scheme

a further stage in Sheikh Zayed's plans for developing Dubai on the Gulf, the ruler has signed a £5.1m. contract with Stain Civil Engineering for a land reclamation scheme involving the creation of some 130 hectares for development purposes.

Besides the provision of extra land near the town's site, this work will help combat the coastal erosion as well. Costain, which received the Queen's Award to Industry this year for export development, has now gained work worth around £25m. in the past four years. The Export Credit Guarantee department has signed a buyer's credit guarantee covering the incing of the contract with the bank under which a loan of

£2.8m. is being made available by Lloyds Bank. A further loan of £8.25m. has also been arranged, by Morgan Grenfell and Co., merchant bankers, in consortium with other banks.

Involving the construction of a 1,000 foot long seawall, the reclamation project is on the opposite shore to the Port Rashid quarry opened up by Costain for the Port Rashid job.

A feature of the seawall on the seaward side will be a series of rectangular shaped concrete blocks with the dual purpose of acting as armour protection at the same time as serving as a promenade for the public.

The work, designed by Sir William Halcrow and Partners, is to start shortly with completion scheduled for two years later.

Costain's experience in the dredging and land reclamation field includes such projects as the recently opened Seychelles Islands "mini Foulness" operation where 250 acres of land were reclaimed from the sea for

foundations for storage tanks, fire mains, drainage pipe corridors and a brick-built switchhouse.

Easingwold Rural District Council in Yorkshire has placed a £186,000 award for a sewage disposal works and 3,700 yards of sewers.

Piling in Ireland

BORED piling work for projects in Ireland, worth £100,000, has been awarded to Cementation Company (Ireland). The foundation of a new gun-barrel factory for Warner-Lambert Ireland at Dun Laoghaire involves the construction of 500 15 and 17-inch diameter piles to an average depth of 30 feet. The main contractor for the factory is John Sisk and Son (Dublin).

The second contract is for the Rahoon Housing Estate at Galway, where a total of 500 piles of 19-inch diameter are to be constructed. Consulting Engineers are J. McCullough and Associates, of Dublin, and Ardglass, of Dublin, is the main contractor. A third contract for tank bases for Irish Shell and BP at Galway involves nearly 400 17-inch diameter piles.

Services for Museum of London

ENVIRONMENTAL control systems for the Museum of London in the City are to be installed under a £700,000 contract placed with Matthew Hall Mechanical Services.

The work covers air-conditioning, ventilation, heating, hot and cold water, plumbing, gas and fire protection services. A gas-fired boiler plant with a total capacity of 22m. bthu/h will be

installed in the basement of the 14-storey building which includes an office block above the museum.

Together with a refrigeration plant of 650 tons capacity, the boilers will support an air-conditioning system which will incorporate around 15 air handling units with volumes ranging from 400 to 45,000 cfm, some 30 fans and over 1,000 induction units.

Heating will be by unit heaters, convectors, radiators, embedded floor panels and radiant panels. Besides public galleries, the museum complex will contain a school's section, a lecture hall, laboratories and workshops.

When completed, the development will be linked by walkways to the Barbican and St. Paul's precincts. Financial backing for the £6.5m. scheme, to rehouse the collections of the Guildhall Museum and London Museum as well as 62,000 square feet of lettable office space, is being provided by the City Corporation, Greater London Council and the Treasury.

St. Michael marches on

Since April, Bovis Fee Construction has been awarded six contracts by Marks and Spencer. Worth £3m., they include new stores at Hemel Hempstead and Bunting and extensions to existing premises at Birmingham, Chester, Newcastle and Winchester.

Work on all these has been started and the additional space at Newcastle and Birmingham and the new store at Bootle will be opened before the end of the year.

The new first floor being constructed at the Pantheon in London's Oxford Street will be ready by Christmas. Additional sales space will also become available later this year at Huddersfield, Dudley, Swansea, Stockport and Rochdale.

This announcement appears as a matter of record only

the construction of an international airport.

Nearest home, the company is of a consortium, including Taylor Woodrow International and the Anglo Dutch Dredging Company, set up two years ago to bid for dredging work connected with the Foulness airport project.

Another contract awarded to Conder, worth £183,000, is for the superstructure of a 150,000 square feet factory complex at Estover, Plymouth, for Arrow Electrical Switches.

As well as the steel framework

for the factory area, involving 333 tons of steel, Conder's Kingsworthy Metric Building System is to be used for a 20,000 square feet two-storey office block so that the project can be completed within the 12-month construction period. Main contractor is E. Thomas, of Falmouth, and the architect is Norman Kelsey.

The East Suffolk County Council is also to use the Kingsworthy System for office accommodation in Ipswich for its Architects, Social Services and Public Health Departments.

The accommodation, with a total area of 24,000 square feet,



The £14m. Drake Circus shopping centre in Plymouth which is to be opened by Princess Anne on November 16, has been nearly completed by John Laing Construction. The centre which is a Laing Development Co. project will include a 4-storey department store for C. & A. Modes, a store for Tesco and over 50 other shops. The architects are Stone, Toms and Partners.

China clay handling at Fowey

DEVELOPMENT of the china clay loading jetties at Fowey in Cornwall is being undertaken by English Clay Loring Fowey and Co. C.

Cost of the scheme has not been disclosed but is quoted by English Clays as being "several million pounds." The company is having to face problems of

amenity in the district which is noted as a holiday centre and equipment is being designed to minimise dust nuisance around the general port area.

One of the main purposes of the scheme, prepared by Rendel Palmer and Tritton in conjunction with the company, is to speed turn-round of ships and to help increase exports from about 100,000 to over 24m. tons of china clay annually.

It is planned to double the loading facilities at one of the existing berths which will accommodate vessels of up to 10,000 tons deadweight and to provide two new berths by building a continuous quay. The new quay

is designed for loading vessels up to 6,000 tons.

To provide the Fowey jetties with the degree of flexibility necessary, improved road connection has been provided by converting the existing British Rail branch line from Par to a private two-lane road which keeps clay lorry traffic between Par and Fowey off the public roads. Rail access has been preserved via the Fowey and Lostwithiel branch line.

U.S. \$29,100,000 Secured Tanker Construction Loan

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is to be a three-storey complex consisting of two office blocks linked by a central unit. Conder is to supply and erect the Kingsworthy "dry envelope," the weather-tight shell that forms the basis of this building concept, and also some additional Kingsworthy components. Main contractor is Elliston, Steady and Hawes. The architect is E. J. Cundiffe.

LARGEST of four contracts recently received by George Wimpey and Co. concerns a £2m. factory for Michelin Tyre Company to be used for the production of steel cords.

To be erected at Redmoss, near Aberdeen, the factory will comprise a main production building, with adjoining administrative buildings, a boiler house and a main sub-station, together with general factory services and external works.

The plant will be one of the most advanced of its type, particularly in terms of working and environmental conditions, and is due for completion towards the end of next year.

Having won the first stage tender for the South West Housing Group's programme, Wimpey has been invited to negotiate for the final tender of the third construction programme of houses.

A figure of around £730,000 has been submitted as a basis for the job which involves 193 dwellings so far, to be built at the City of Plymouth Estate for the housing authorities in Cornwall, Devon and Somerset which form the consortium.

Construction of the homes, including bungalows, 2, 3 and 4-

bedroomed houses, will be in the Wimpey No-Fines technique. The company used the same technique for the 1,850 homes it has built under the first and second generation programmes.

At the Pottington Industrial Estate, Barnstaple, Wimpey's Plymouth office is also to build a £600,000 factory with offices for Alenco Industrial Components (a subsidiary of Alenco—part of the Charterhouse Industries Group).

The scheme will provide 12,000 square feet of offices with 135 square feet of factory area for the manufacture of high pressure couplings.

George Wimpey ME and Co. has been awarded a contract, said to be worth over £1m., by Dista Products for the design, procurement and construction of a bacteriological seed room and culture laboratory.

To be built at the Speke antibiotic plant at Liverpool, the facilities are to be designed mainly on site by Wimpey personnel. The two-storey building of 7,500 square feet, will rationalise existing production of antibiotics by fermentation, and increase capacity to meet the growing market for pharmaceuticals.

Heathrow station tenders

TENDERS are shortly to be sought for the London Transport Piccadilly Line extension from Hutton Cross to the Heathrow Airport central terminal area.

This follows the recent start by W. and C. French (Construction) on its £3m. cut-and-cover section from the existing Hounslow West station to Hutton Cross which is just outside the airport boundary.

While London Transport's own engineers department is responsible for the first section, Sir William Halcrow and Partners, consulting engineers, have been called in for the new section. The firm is the British Airport Authority's consultants, and has probably been brought in as this section is to be tunnelled, rather than cut-and-cover.

Halcrow has been commissioned to prepare the designs and contract documents for the running tunnels and the terminal station. The deep level tunnels will have to be driven through London clay. They pass under one of the main runways.

The terminal ticket hall, to be constructed beneath the triangular area in the centre of the airport containing the bus station, is intended to be linked to the main terminal building.

Two schools in Scotland

RENFREW County Council has awarded Gilbert Ash Division of Bovis a £1m. contract to build Cockston Junior High School at Paisley.

The 20-month job, to be carried out by Gilbert Ash Scotland, includes two 4-storey classroom blocks, a single-storey technical block, two single-storey blocks housing kitchens and dining rooms, a sports and games hall complex and an administration block. The structure will be of reinforced concrete with an

Briefs

MEARS Construction is to build a secondary school and sports centre at Skelmersdale, Lancashire, under a £650,000 contract awarded by Dumbarton St. Patrick's R.C. School.

This follows the recent start by R. and C. French (Construction) on its £3m. cut-and-cover section from the existing Hounslow West station to Hutton Cross which is just outside the airport boundary.

While London Transport's own engineers department is responsible for the first section, Sir William Halcrow and Partners, consulting engineers, have been called in for the new section. The firm is the British Airport Authority's consultants, and has probably been brought in as this section is to be tunnelled, rather than cut-and-cover.

GILBERT ASH SCOTLAND is also building St. Patrick's R.C. School at Dumbarton under a £220,000 contract awarded by Dumbarton County Council. Architects are the National Building Agency.

\$30,000,000

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THE U.S. SECURITIES INDUSTRY: Jurek Martin, reporting from New York, Sunday, discusses the impact of the controversial McChesney Martin report, and examines its underlying philosophy and its concern for the small, individual investor

'Fair' competition and the public interest

FOR 18 years, Mr. William McChesney Martin was accustomed to walking an almost tightrope as chairman of the Federal Reserve Board in Washington. With a little fine-tuning here, a squeeze there, and a bit of pump-priming at other times, his job was constantly to supervise the monetary affairs of the nation. Although central bankers will probably refute the implication vigorously, it often seems that their main preoccupation is with the day-to-day exigencies facing a national economy—trying to combine what they feel is economically feasible with what the politicians consider to be desirable. Their role in long-term planning, while indisputable, often appears subordinate to the daily demands made on them.

During his time at the Fed, working with five Presidents of the United States and numerous different Congresses, Mr. Martin acquired the reputation of being a past master at finding the common ground. But now he has been able to exercise his talents in the other direction.

Longer-term

The importance of the report that he produced formally last Thursday on the future of the American securities industry lies not, to the dismay of many people, in his opinions on the burning issues of the stock markets to-day such as institutional membership of the stock exchanges or negotiated commissions on share transactions. On the contrary, it lies in what he considers to be the long-term course the stock markets should embark on if they are to be able to cater fully to the financial needs of the nation.

This is the thread to his surprisingly brief and very personal report and to the remarkably candid comments he offered on the securities business last Friday. Certain

key phrases crop up again and again in his discourse on the subject: "Full disclosure," "integrity," "fair competition," "equal regulation," "the public interest."

"I didn't try to give instant solutions," he said on Friday. "I never had the slightest thought I could do that. I just tried to get things into focus."

There is the very real danger that these fundamental strictures will be forgotten in the debate that is bound to rage for a long time about the contents of the report. Indeed, such was the build-up to the report that many people in the industry may have felt let down that its author chose to state his case in such broad and often philosophical language.

Clearly, in the long run, his most important recommendation is that there be one national auction market for the trading of securities. This is, as Mr. Martin has already discovered, an easily misunderstood concept. It does not mean one solitary market place in the physical sense; nor does it mean a merger, in the strict sense of the word, of all the New York and regional stock exchanges. What it does mean is that all the exchanges in the country—the NYSE, the Amex, the Midwest, the Pacific Coast, the Philadelphia-Baltimore-Washington, presumably even the very tiny ones—would be hooked up electronically so that any share transaction on any one of the exchanges would be immediately recorded on all the others.

"We ought to know what the bid and asked is across the country," he says. "It is integration, not merger." It would mean, he acknowledges, that over a period of time the New York Stock Exchange, where something like two-thirds of all listed securities are traded, would eventually become just one-fifth or one-sixth part of a national system, equal in importance to Chicago or San Francisco, just as, in theory at

least, the Federal Reserve system places all 12 regional Fed banks on a more or less equal footing.

If in practice certain exchanges continue to remain the centres of activity, this would make no difference since all the exchanges would be operating under the same rules and providing a market in the same stocks. There would still be competition, because the specialists in Chicago would be trying to provide a better market in any given stock than the specialists in New York, but it would be "fair" competition because the stocks would be the same and the transactions in them would be instantaneously recorded on all the floors.

Typically, he does not say point blank that the third mar-

ket of the future is very much concerned with not sacrificing the small individual investor to institutional efficiency. Much as it might irritate some of the more aggressive large institutions, it is almost impossible for any public figure—and this includes members of Congress, who must

are trading them, and it has therefore become a favourite with the big operators. It is, as such, inherently antagonistic to the concept of "full disclosure" that Mr. Martin is convinced must be preserved and expanded in the public interest.

Typically, he does not say

market of the future" is very much concerned with not sacrificing the small individual investor to institutional efficiency. Much as it might irritate some of the more aggressive large institutions, it is almost impossible for any public figure—and this includes members of Congress, who must

important than the public interest. This is what his proposed reforms for the New York Stock Exchange are all about. He would give vastly greater public representation on the NYSE's Board and, in a complex proposal, would rearrange the voting power within the exchange so as to make it possible for firms predominantly dealing with the public to have a larger voice in the internal running of the exchange.

There is much truth in the standard criticism of the NYSE that its "elitism" stems from the internal strength of the floor traders, who have little to do with the public, and that a breath of Merrill Lynch efficiency in its highest echelons would have enabled the exchange to handle far better the giddy paperwork and economic crises of the last four years.

The Martin Formula would also make it very much easier to become a member of the exchange. One current seat would be converted into ten voting shares, but only one share would be needed for membership. (There would, naturally, be a market in voting shares.) Ten shares, however, would be needed for floor trading. There are now rather more than 1,300 NYSE member firms. There would, therefore, be more than 13,000 voting shares around.

It is absolutely central to Mr. Martin's thesis that this common market should be an "auction" and not a "dealer" market. This is, of course, very much in the tradition of the American securities business, as opposed to the general European and British practice. Nonetheless, in the course of the last few years, a very sizeable dealer market has grown up in the U.S. It is generally known as "the third market" and it enables professionals to deal directly with professionals, bypassing exchange formalities.

It is, obviously, a very convenient way for people to trade stocks when they do not want to let the world know that they

ket should be declared illegal; rather, he suggests that once a national auction market is established, offering the opportunity to invest in all listed and over-the-counter (unlisted) shares, the third market operators would hardly be showing their "integrity" if they continued to stay out of it and conduct their affairs under rules and regulations entirely different from everyone else's.

It is plain to see that this

pass laws to bring such a national market into being—to take a contrary view. There are, after all, something like 31m. American shareholders, and many more with mutual fund stakes. And unless Armageddon gets in the way, the trend towards owning stocks is going to accelerate.

Thus it is entirely consistent that most of Mr. Martin's other recommendations—especially those on the really controversial issues—should be in line with his belief that no factor is more

important than the public interest.

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voting shares around.

It is still too early to see whether all, part, or none

of what Mr. Martin has recom-

med will come to pass. In

as he offered "no instant sol-

utions," no instant action can

be expected. It is very likely that

as he suggests, the SEC w-

ill create a blue chip team to

look into the nuts and bolts

of creating a national exchange

the not too distant future. B-

the first test will come with t-

New York Stock Exchange a-

it will come within the next t

or three months. Then we w-

ill discover how great is t-

securities business's ability

to accept change.

contrary to the broad brush with which he painted most of his proposals, was guilty of hair-splitting in recommending that though mutual funds should be divested, brokers should be allowed to retain pension funds on their books. Mr. Martin has justified his distinction by suggesting that it might be generally true these days that institutions, like mutual funds no longer represent their own public (the alluded to 10s case as an example), whereas at least pension funds are supposed to. It is, at best, a fine point.

Experiment

On the negotiated-versus-fixed minimum commission rate issue, Mr. Martin's position is not original. Indeed, it would be hard to find an original position in so exhaustively debated a subject. He simply feels that the negotiated rate the big operators would incur for themselves would, in practice, become fixed minimum rates; that the small investor would not stand a chance of obtaining them, and that therefore he would be at a disadvantage. So he simply suggests allowing the current experiment of negotiated rates on large trades to stay in force for a while to see how it works.

It is still too early to see whether all, part, or none of what Mr. Martin has recommended will come to pass. In as he offered "no instant solutions," no instant action can be expected. It is very likely that as he suggests, the SEC will create a blue chip team to look into the nuts and bolts of creating a national exchange the not too distant future. B-the first test will come with the New York Stock Exchange as it will come within the next t or three months. Then we will discover how great is the securities business's ability to accept change.

Labour News

Nalgo now favours EEC entry

BY ROY ROGERS, LABOUR STAFF

LEADERS of the 460,000-strong National and Local Government Officers' Association have come out in favour of British entry into the Common Market. This reverses the union's conference decision to oppose entry unless it could be shown to be in the interests of members and of Britain.

NALGO will now vote in favour of a resolution supporting Britain's entry which has been tabled by the Clerical and Administrative Workers' Union for next month's Trades Union Congress. More white-collar support for entry may follow, but most of the manual unions, including the Transport and General Workers' (T&GM) members and the Amalgamated Union of Engineering Workers (AUEW) are opposed to entry.

Narrow margin

Over the weekend a meeting of NALGO's 60-member national executive committee voted in favour of entry by the narrow margin of 28-25. Although five members were absent, it is understood that their presence would probably have resulted in a similar narrow majority in favour.

Before voting the NEC heard a recommendation from its services and conditions committee which had been studying the matter for several months.

Although dismissing the Government's White Paper as being unhelpful to them in their quest to establish whether entry would bring long-term benefits, the committee recommended

Unions expected to accept Guinness Dublin cutback

BY DOMINIC J. COYLE

THERE IS expected to be unanimous agreement later this month by all trade unions represented at the St. James's Gate, Dublin, brewery of Arthur Guinness on the company's comprehensive rationalisation programme aimed at reducing operating costs by some £2.8m. a year.

The cutback plan, reported in the Financial Times on May 4, is designed to bring production costs in the Dublin brewery more into line with those at Guinness's Park Royal, London, plant. This will require a 30 per cent improvement in productivity, according to a company spokesman here.

Graduated

Overall, the rationalisation programme is aimed at reducing the total work force at the Dublin brewery (and its marketing subsidiaries) by roughly one-third, or about 1,400 employees. However, it is intended that there will be no conventional redundancies; instead, the labour force is gradually to be reduced over a five-year period, commencing next January, through a

Haughton expects to meet new deadline

BY RAY DAFTER

MR. DANIEL HAUGHTON, chairman of Lockheed, is hopeful that he will not have to ask the British Government again to extend the period for completing negotiations over the TriStar and Rolls-Royce RB-211 engine contracts.

The Government had originally given yesterday as the deadline for a decision on the future of the project, but with the backing of the U.S. Senate for \$200m. loans to Lockheed now secured, it has, as expected, extended the deadline to August 24.

Loan Board

Nevertheless, both Lockheed and Rolls-Royce will have to work fast to complete the negotiations within this time limit. They have still to negotiate the final terms of contracts with airline customers; Lockheed has to complete arrangements for loans with its banks; and two airlines important to the project, Air Canada and Delta, have still to agree formally to stay with the TriStar.

The British Government, which is injecting some £2m. a week into Rolls-Royce (1971) to keep the RB-211 project going, while the outcome of the negotiations is awaited, is obviously anxious to encourage an early settlement on all fronts.

It is recognised, however, that time must be allowed for the negotiations to be concluded, but it had also been informed by the U.S. Administration that the Loan Board, necessary for the Lockheed loan guarantees, could not be set up by August 8.

Mr. Haughton, who has been

in the U.K. discussing Lockheed's engine requirements in detail, said before he flew to California at the weekend that he was "very gratified" that the Government had put back its decision date.

"I think we should try and get it done by then (August 24). I

wouldn't like to ask for a further extension, and we hope that we won't have to ask for another extension," he said.

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COMPANY NEWS + COMMENT

Bank Bridge confident of more growth

HAVING REGARD to current development and plans, we are confident of a further increase in profits this year," says Mr. R. A. Palfrayman, chairman of Bank Bridge Securities.

"We regard our investment in road growth or potential growth areas as the basis for future expansion and we will take every opportunity to increase our interests in these and related fields," he adds.

Since the year end the group has acquired a 30 per cent. interest in A. G. Mardon and Sons with, existing interests, his basis of a planned expansion into textiles. This industry is expected to prove a major contributor to group profits in the current year.

As reported on July 20 pre-tax profit for the year ended March 1971 was £1,561,191 (£42,186) with a dividend of 43 per cent. 30 pence per share, a one-for-one scrip is also proposed.

Analysis of profit and turnover shows investment banking contributed £2,000 (omitted) £28 (£28) and £503 (£421); motor racing £40 (£57) and £1,280 (£1,132); smoking fuel £600 (£1,021); and £3,131 (£2,381); textiles 40 (£145) and £27,111 (£2,031), engineering £100 and £1,088.

Decentralisation of the companies in the power, communications and automation group has now been completed, reports the chairman, and after certain closures the company is left with three very viable units contributing more to group profits than its original organisation.

Mr. Palfrayman comments that confidence in British Benzol and oil Distillation, in which Bank Bridge has a 51 per cent. stake following the offer for sale in August, 1970, has been fully justified.

Members are asked to approve a increase in authorised share capital from £750,000 to £1m. At March 31, 1971, the chairman said £1,438,723 (£189,675) shares 5% Meeting, Manchester, August 26, on.

comment

ace reporting nearly trebled e-tax profits for 1970-71 three weeks ago. Bank Bridge's share has fallen from 51p to 44p, but this is not too surprising given that last year's performance seems unlikely to be beaten over 1971-72. Not only that, the group's aim to be up in trading profits, that is the flotation of British Benzol contributed about 10,000, but now it also looks if Benzol itself—now 51 per cent owned—is in for a year of consolidation after contributing 5% of last year's rise. However, a diluted p.e. of 10.6 is not too much.

As reported July 13 the dividend is 30 per cent. against 22 per cent. foreseen. A one-for-one scrip issue is also proposed.

Meeting, Manchester, August 26, at 11.30 a.m.

HIGHLIGHTS

Quite an impressive clutch of "names" come up for analytical scrutiny this week. Commercial Union Assurance starts the ball rolling to-day with six month profits, while on Wednesday we have half-timers from consumer durables major Hoover plus Slater Walker Securities and Anglo-Dutch giant Unilever. Thursday takes in interim results from Guest Keen and International Combustion. This much apart, it looks like proving another traditionally quiet week in August.

dividend at 27% per cent. for the year to March 31, 1971, with a final of 20 per cent.

Group profit was £41,612 (£38,684) subject to tax of £15,198

British Benzol optimistic

BECAUSE OF the abnormally high costs and fuel costs held by manufacturers and industrial users, the current year has opened on a quiet note for British Benzol Carbosilic, with a noticeable drop in demand, states chairman Mr. F. G. Mulryan.

However, demand is showing signs of picking up and given an assessment of the market, the chairman adds, "we are in a position to dispose of our production."

In addition, benefit of higher prices will be coming through in the autumn.

Total cost of the capital expenditure is £670,000. "When this work is completed we can look forward to greatly increased capacity and additional profits," states the chairman.

In the year ended March 31, 1971, profits of the group—31 per cent. owned by Bank Bridge Securities—amounted to £680,149 compared with the August prospectus forecast of £400,000 and with a subsequent revised estimate of £600,000.

While the directors are satisfied that the purchase consideration for Rankin is fully justified by the profit level, they consider it prudent to write down the cost of the investment thereby reducing the book value of goodwill, and £250,000 has been applied for this purpose. It is intended to make further write down in future years as profits arise.

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Gandy now picking up

Mr. A. E. Fuller, chairman of Gandy, has now sent his interim report. The loss of £87,028 for the seven months to February 28, 1971, took account of delays in opening the new warehouse, the postal strike, heavy interest charges, and price cutting in the frictions market.

Viewing short-term prospects, Mr. Fuller says the last five months of current year should see the first benefits of closing the Manchester premises—they were sold in March, resulting in a much easier liquidity position and lower interest charges. With the opening of the new warehouse, production conditions are very much improved and "we are hopeful that

This announcement appears as a matter of record only.

in the second. That implied better second-half going on the trading side for overall machine tool losses were roughly unchanged at £31,000 with £14,000 stemming from the opening six months; and hints of better profitability in the latest accounts back up the second-half trend. But for the market the profitability is whether a p/e of 10.7—rising to nearer 12 fully taxed—adequately reflects a prospective slump, accelerating to 67 per cent. dividend and royalty income over the two years 1970-71 (a time when (on the 1970-71 performance anyway) it is contributing 64 per cent. of total taxable profits.

Over the long term he feels if market conditions are stable and the drift of material and labour costs can be controlled, he believes over a reasonable period, lost ground can be recovered. There are a number of alternative ways in which profitability might be improved and these are at present being evaluated.

Dover Eng. recovery measures

Present outstanding orders of the Dover Engineering Works are encouraging as compared with last year, says chairman, Mr. H. J. Holdstock.

Productivity has increased, and measures taken to date combined with the redesign of "Gatic" and the new products being developed augur well for the future, he adds.

Benefits of new production plant and processes being undertaken at the Dover works will come about in the early part of 1972, but already the productivity has been improved.

As reported on June 25 group prospectus forecast for the year to March 31, 1971, was £88,592 (£107,465) and the dividend 22 per cent. (same plus a special bonus of 3 per cent.). Turnover was £884,973 (£694,532).

A breakdown of turnover and profit shows Elthington Gatic and Elthington France £18,536 and £37,008; "Walter" production milling machines £143,015 (loss £17,503); machine tool fixtures and special purpose machines £23,622 and loss £14,733. Royalties interest and dividends provided £81,732 of profit.

The contribution from royalties can be expected to remain at the same level during the current year but, due to the termination of at least one licence agreement the income from this source in the financial year 1972-73 could well be reduced by approximately 38 per cent. and by 67 per cent. in the financial year 1973-74.

Approaches are, however, being made in two important territories where "Gatic" products are not used with a view to granting manufacturing licences or the creation of selling agencies, and it is hoped to enter into new agreements in the territories covered by the expiring licences.

Meeting, Kettering, September 8, noon.

Mid-way profit for Kirby's

The chairman of Kirby's, Sir Stanley Bell, says that, although turnover of the first half of 1971 did not achieve the hoped-for improvement attained plus reductions in overheads has resulted in profitable trading.

As the earlier part of the trading year is invariably the more profitable, and because of disappointments in recent years, he is reluctant at this stage to forecast the final result.

So much, he states, will depend both upon manufacturers maintaining the supply of new components for vehicles and cars, and the group's own ability to hold profit margins.

As known, there was a net loss of £10,120 (£22,811) for 1970 and the dividend was again passed.

The Liverpool-based group trades as motor engineers and salesmen and motor vehicle distributors.

Since coming to the market 15 years ago Dover has withstood its fair share of troubles, but what the report has now to say about dividend income trends after 1971-72 is going to take a deal of riding. The profit pattern last year had its points, with the first half setback (40 per cent. pre-tax) levelling out to just 1½ per cent.

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Meeting, Dover, September 1, noon.

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COMP

INTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

Bank industry sector decline turns attention to GM, TRW loans

BY WILLIAM LOW

THERE have been several "Black Fridays" in the brief life of the Eurobond market and by the end of last week one more had been added to the list. The decline of the secondary market for Eurodollar bonds can be summed up in the following statement: All three of the Bond-trade indices reached their respective "lows" for the year last Friday.

Inevitably, the sharp setback in prices has focused attention on the offerings, totalling \$80m, by General Motors and TRW. During the past week, there have been reports that both issues would be withdrawn from the market. Significantly, there has been no confirmation of these rumours from either the borrowers or their managers.

In the case of General Motors, the Jeremiads are likely to be disappointed. All the evidence suggests that although neither the \$80m of notes nor the \$40m of debentures can be described

as "hot" deals, response has been strong. In fact, the currency upset may turn out to be a blessing in disguise in that the "free riders" will be frightened off, leaving only genuine investors.

Reputation

It should also be remembered that the GM manager, Morgan and Cie International, has a reputation for being able to pull off deals that few other banks could handle in such difficult circumstances. I would be very surprised indeed if Morgan failed on this occasion to bring it off once again. Final terms for the TRW bonds will be fixed on Wednesday.

The other outstanding dollar-denominated loan is the \$16m issue, by the European Coal and Steel Community. This 15-year offering carries a coupon of 7½ per cent and is being issued at 98½ per cent. The apparently cheap interest rate is explained by the dollar devaluation hedge built into the loan, a formula which is likely to become increasingly popular.

Meanwhile, CEDEL, the Luxembourg-based bond clearing system, has established a "bridge" with the German AKV clearing group. CEDEL said it would make its services available through AKV—an affiliate member of CEDEL—to 140 German banks for settlements of transactions in Eurobonds.

STANDARD AND POORS U.S. STOCK INDICES

MELBOURNE YIELD INDICES

SYDNEY ALL ORD. INDEX

EUROPE

TOKYO

NEW SE INDEX

IND DIVIDEND YIELD P.C.

STOCK AND BOND YIELDS

INDUSTRIAL div. yield 5 July 25 Aug. 1

Price-earning ratio 17.47 18.01 20.75

Long-term Govt. Bds. 12.50

Yield rate 6.23 6.23 6.30

CLOSED AUG. 2

STOCKS

Aug. 5 +1.16 11.90 2.92

High Low

1971 204.82 163.97 (20.75)

Excluding bonds

IND. DIVIDEND YIELD P.C.

Aug. 5 1971 1971

Aug. 5



THE LEX COLUMN

Messages in activity statistics

Lombard

From the
poor to
the rich
with love

By C. GORDON TETHER

WHEN Mr. Michael Foot said during the recent EEC debate in the Commons that he had a soft spot for the inefficient French farmer but could not see why the people of Ebbw Vale should be asked to subsidise him he touched upon an unsavoury aspect of the terms for British entry that has so far received far less attention than it deserves. I am thinking of the fact that they involve something so very much in conflict with accepted ethics as a relatively poor nation being obliged to contribute generously to the support of its richer neighbours.

Much is being made by pro-Market forces of the argument that the EEC countries practice of subsidising the weaker elements in their agricultural industries is not foreign to the British way of life seeing that we have long provided State aid to the hard-pressed Welsh hill farmer.

Real point

The real point, however, is that supporting one's own impoverished is far from being the same thing as supporting other countries' hard cases. And one would have thought that it would be extremely difficult to persuade the British people that it was a reasonable thing to ask them to donate upwards of £10 per head each year towards this cause when so much is being made of the fact that the countries they are being asked to support are far richer than themselves—and, therefore, manifestly in a much better position to succour their own needy.

And the statistics show plainly enough that only one of the Common Market countries—Italy—has a lower average per capita income than ourselves. All the others are a quarter to a third better off, including the one that will be the principal beneficiary of Britain's proposed largesse.

The implied affront to the civilised world's moral code pre-empted that it is the rich who give to the poor and not vice versa looks more invidious still when account is taken of other highly relevant considerations. It is an unfortunate fact to begin with that the British people are being asked to accept vast charitable commitments in respect of the succouring of other countries' lame ducks just when they are being told that resources simply cannot be spared for even the most deserving cases on their own doorstep.

Honour bound

It is the case, too, that this charge is being loaded onto a country that has been carrying more than its fair share of the cost of financing other international good causes. Thus not only has Britain been contributing far more foreign exchange than any of the EEC countries to the preservation of the modern defences of the Free World. Unlike those countries, it has been forced to carry throughout the past quarter of a century an enormous international payments burden arising from the debts incurred in defending European freedom in two World Wars.

It might have been thought that, as the peoples of the European Community have benefited in such measure from what Britain did to liberate them in 1945, they would have seen themselves as honour bound to restrain from wringing any more money from her now that she has fallen—to a significant extent as a result of the toll taken by that immense effort—into the poor relation class.

No gratitude

But if their sense of gratitude was not sufficient to enable them to see that it was hardly the thing to pressure Britain to make charitable contributions to the less fortunate in their club, one might at least have hoped that they would have been big enough to recognise that the proper estimation for such enforced generosity was the real overseas cost—not a region so exceptionally affluent that it could easily afford to look after all its underprivileged itself.

The White Paper claimed that the EEC has been devoting proportionately more to overseas aid than Britain. What it didn't say was that the Government's understanding to contribute British money so lavishly to the support of EEC's poor farmers will change all that.

Within a few years we will be sending almost three times what we do now—with the affluent EEC getting, incidentally, more in all the really needy countries put together. Since a large part of EEC's aid spending will be financed from our money, there can be no doubt we will be carrying the biggest parity burden then.

Now that we have four months of statistics for stock exchange transactions subsequent to the abolition of the short-term capital gains tax as such, it is tempting to draw the conclusion that volume of turnover in equities has moved to a definitely higher plateau—average daily value being half again above the 1968-9 peak levels. That may indeed be so but a close study of the figures going back some way produces some very interesting side conclusions.

Overall trend

Looking strictly at equity turnover, the most evident trend has been the increase in the value of the average deal with the passage of time. From 1965 to date there has been a rise every year from a figure of about £1,000 through £2,050 in 1970 up to £2,770 in July; indeed a rather sudden jump of about £250 per deal in the past four months to an average of £2,650 can be regarded as

merely consistent with the overall trend. The trend itself will, of course, surprise no one though the figures are striking.

Again within the overall trend it will come as no surprise that the average size of bargains has tended to fall as the number of transactions rose and vice versa. As rising activity is associated with rising prices in broad terms (and again vice versa) would be only natural that the average bargain should tend to be low at market highs and high at bottoms—despite the contrary effect of price on value. However the actual figures suggest that average bargain sizes are not just a simple inverse reflection of activity. They appear to be also pointers to the quality of buying in the market.

Some examples may be helpful. In November 1967, average daily transactions soared to 24,000 from 20,500 in October and 16,700 in September. Yet average size actually rose and this in itself would suggest that the quality of buying in the

market at present is acceptably high and reflective of an up-trend in prices which is not in a very mature stage.

It would require a much longer history of activity statistics before any claims for the predictive value of this indicator had much value. Scrapping the barrel is all we can do in the absence of full daily turnover statistics. The chief danger to interpretation is that the long-term trend to rising size can distort the picture out of usefulness. But broadly the rule is that rising activity along with falling size marks a rising market; and falling activity along with rising size marks a falling one. As with all such concurrent indicators, the tricky pseudoparadox remains that the peaks are to be interpreted the other way round.

World Bank

The interest of the £10m. World Bank 8 per cent. issue is of course the terminal date of

1976, which brings it into the fold of the "shorts" and hence a potential counter for the banks and even the building societies. For perspective, the 8 per cent yield compares with 8.3 per cent for the existing World Bank 5 per cent issue 1973-82, which, because of its sinking fund, the specialist can compare with Exchequer 5's 1976-8. Under 5 years, however, the options are a yield of just over 7 per cent on the comparable gilt, perhaps 7% for a local authority issue and about 7.8% for a corporation loan. So if the banks take it to 1, it will surely go better than par even though it is unlikely to be a very good proposition from the angle of marketability.

Meanwhile the fact that a tax paying individual can get an appreciably better yield from a building society raises some thoughts about the whole interest rate structure in the U.K. Given an historically normal structure, there is much logic in the corporate sector's tradition

of borrowing at the two extremes—either by overdraft or by 25-year funding. What is surprising, at a time when the Government and local authorities are borrowing one year money at 5% to 7 per cent and 25-year money costs 10% per cent to the very best companies, is that the corporate sector should have shown virtually no flexibility in its attitude to borrowing somewhere in between.

Many, it is true, are hindered by existing borrowing which prevents future funding with earlier redemption dates. But, bearing this in mind (aside from the scope for ingenuity), there is a serious gap in our capital market for the second-rank company trying to fund at the long end; and the fact is that 5-year money is available in the market at a rate no higher than overdraft cost. Both here and in the 5- to 10-year bracket there is great scope for enterprise in London.

See also Page 12

Davies told UCS orders must be renegotiated

By ANDREW HARGRAVE, SCOTTISH CORRESPONDENT



the large amount of laid-up tonnage.

All sales activities for future orders have also been stopped and Mr. Smith is in the process of disbanding the forward planning and marketing departments.

Credit guarantees have so far been issued in respect of only four of the 13 ships. All four have been ordered by Irish shipping which apparently still wants them. But it has now been brought to Mr. Davies's attention that unless the customers are told quite soon that UCS's Government-backed successor will be able and willing to guarantee delivery and credit guarantees are issued in respect of the remaining nine ships, the owners may make alternative arrangements or just abandon their plans.

This in turn could seriously jeopardise the building programme which is based on series production of bulk carriers and standard "Clyde design" cargo ships, even if the orders for the 13 ships are confirmed. If they are not, work at all UCS yards will dry up by the spring, not only at the doomed Clydeside and Scotstoun yards, but also at the Govan-Linthouse complex on which the Government's future plan for the Upper Clyde are based.

Mr. Davies will be on holiday in the south of France for the next four weeks; and Sir John

GLASGOW, August 8.

Eden, Minister for Industry, is to meet a delegation of UCS shop stewards in London tomorrow in yet another effort to get the Government and the unions on the same wavelength regarding the future of UCS.

The stewards want UCS to be retained in its present form while the Government has so far insisted on its own solution which would provide work for less than a third of the present labour force of 3,400.

To-morrow, when UCS's Govan and Scotstoun yards and the Linthouse steel factory return from their summer holidays, workers will be asked at mass meetings to support the "work in" started by the joint shop stewards' committee at the Clydeside yard on July 30.

On Tuesday, shop stewards invited from factories and shipyards all over Scotland to a meeting in Glasgow, will hear an appeal for funds by the UCS shop stewards. Although the stewards are pleased with the initial response in support of the "work in", their resources will be considerably stretched if they stand by their decision to "re-employ" up to 400 workers expected to be dismissed within the next fortnight.

A move will be made at York on Wednesday to involve the Confederation of Shipbuilding and Engineering Unions at national level in the UCS crisis.

Mr. Dan McGeary, chairman of the Confederation's shipbuilding section and president of the Boilermakers' Amalgamation,

largest single union in the yards, will propose a top-level meeting between the Prime Minister and Mr. Davies and leaders of the main unions.

Lord Hacking pointed out that the trustees have no executive responsibility. "We can only make recommendations. It is up to the Board whether it decides to follow our advice and whether it should make public the suggestions we put forward."

Trust Houses Forte peace bid

By Kenneth Gooding

AN ATTEMPT to patch up the dispute which has split the Board of Trust Houses Forte, Britain's biggest hotel and catering combine, will be made to-day at a meeting of the Council of the Trustees.

But so far no decision has been reached by the trustees on what line they should take. Lord Hacking, the solicitor who heads the Council, commented last night: "We go in with no foreseen conclusions. Our minds have still to be made up."

The two directors split over the sacking of managing director Mr. Michael Pickard by majority vote. The left the Board in two distinct factions—those directors formerly with the Trust Houses hotel group and those who came from Sir Charles Forte's catering concern.

Since Mr. Pickard's dismissal as managing director, Sir Charles, the deputy chairman, and Lord Crowther, the chairman, have been acting as joint managing directors. The trustees, who hold the voting control of THF, were invited to put forward proposals which might end the Boardroom

dispute. The nine-strong Council will sit to-day Lord Crowther and Sir Charles, but some of the other directors—not even the man at the centre of the dispute, Mr. Pickard, who is still on the Board.

Lord Hacking pointed out that the trustees have no executive responsibility. "We can only make recommendations. It is up to the Board whether it decides to follow our advice and whether it should make public the suggestions we put forward."

NATO reviews Malta position

By Our Own Correspondent

BRUSSELS, Aug. 8.

THE NATO Permanent Council met in emergency session here today for a report by Mr. Jorg Kastl, acting Secretary-General, on his talks last week in Valletta with Mr. Dom Mintoff, Malta's Premier.

Mr. Kastl, who flew back to Brussels overnight, went straight to the Council meeting, the first of a series on the Malta crisis to be held this week. No details of his discussions with the Maltese leaders were given by an ally source present to-night.

It is emphasised, however, that "this most provocative of all northern parades" could easily be the spark to set off a real explosion, just as it did to rioting and deaths throughout the north two years ago.

It will be several years before a true assessment can be made, but it is found that a substantial proportion of trade is likely to be lost the lines may decide to resurrect the idea of some joint Australian-New Zealand port and the Barking clearance depot.

In the meantime British, Continental and Far East shipping lines in the consortium must be wondering what effect entry into the Common Market will have on the Australian trade.

I have heard it reported that the potential loss of containerised cargo, by weight or value, on the northbound voyages could be as much as 40 per cent, although the effect on southbound cargo is expected to be considerably less—if any at all.

It will be several years before a true assessment can be made, but it is found that a substantial proportion of trade is likely to be lost the lines may decide to resurrect the idea of some joint Australian-New Zealand port and the Barking clearance depot.

This was one proposal studied by consortium members several years ago but in view of the Australian potential it was decided to operate separate services to Australia and New Zealand.

France may have converted \$470m. into gold

BY ADRIAN DICKS

PARIS, Aug. 8.

FRANCE IS due to pay off tomorrow of its outstanding debt to the International Monetary Fund, which it incurred in the aftermath of the devaluation of the franc two years ago this week-end.

According to Press reports here, the repayment includes some \$161m. in gold which the French authorities have purchased for it from the U.S. Treasury. If this figure, so far unconfirmed—is correct, it suggests that the French Government's policy of converting part of its dollar surplus into gold has now resulted in a total of about \$470m.

This would be considerably more than was believed when the latest gold purchase from the U.S. became known last Wednesday, the day when exchange markets all over Europe reacted in panic to the Banque de France's circular aimed at insulating the French economy from further heavy dollar inflows.

No coincidence

But in terms of domestic politics the arguments against any action which would have the effect of raising the franc parity are tending to grow stronger than rather weaker.

It seems no coincidence that since Mr. Pickard's dismissal as managing director, Sir Charles, the deputy chairman, and Lord Crowther, the chairman, have been acting as joint managing directors. The trustees, who hold the voting control of the Central Bank without stepping outside this carefully orthodox position—though some commentators here openly suggest it should do so and thus increase pressure on the Americans to put their own house in order.

For the time being, however, the French Government is giving nothing away about the position it is likely to take at the IMF annual meeting next month. M. Valery Giscard d'Estaing, the

BUSINESS CENTRES

	Y'DAY	Mid-day
Amsterdam	F 18 61	Melbourne C 18 61
Bahrain	F 38 38	Mexico C 38 38
Berlin	F 24 24	Montreal C 24 24
Birmingham	F 23 23	Munich C 23 23
Brussels	F 19 19	Newcastle C 19 19
Cairo	F 25 25	Oslo C 25 25
Cardiff	F 19 19	Paris C 19 19
Edinburgh	F 17 17	Prague C 17 17
Gibraltar	F 21 21	Rio de J. C 21 21
Glasgow	F 20 20	Rome C 20 20
Helsinki	F 20 20	Stockholm C 20 20
London	F 20 20	Tokyo C 20 20
Madrid	F 25 25	Toronto C 25 25
Manchur.	F 17 17	Vienna C 17 17

HOLIDAY RESORTS

Ajaccio	S 20 88	Istanbul	S 20 88
Alexandria	S 20 88	Jersey	S 20 88
Antalya	S 20 88	Kuala Lumpur	S 20 88
Barcelona	S 25 92	Malaga	S 25 92
Barritz	C 25 92	Malaga	C 25 92
Berlin	F 24 24	Montreal	F 24 24
Berlitz	C 25 92	Montreal	C 25 92
Berwick	C 25 92	Montreal	C 25 92
Bordeaux	S 17 67	Naples	S 17 67
Boulogne	S 17 67	Naples	S 17 67
Brasilia	S 20 88	Nassau	S 20 88
Casablanca	S 24 73	Nassau	S 24 73
Catania	S 25 92	Nicaragua	S 25